

National Health Expenditures, 1980¹

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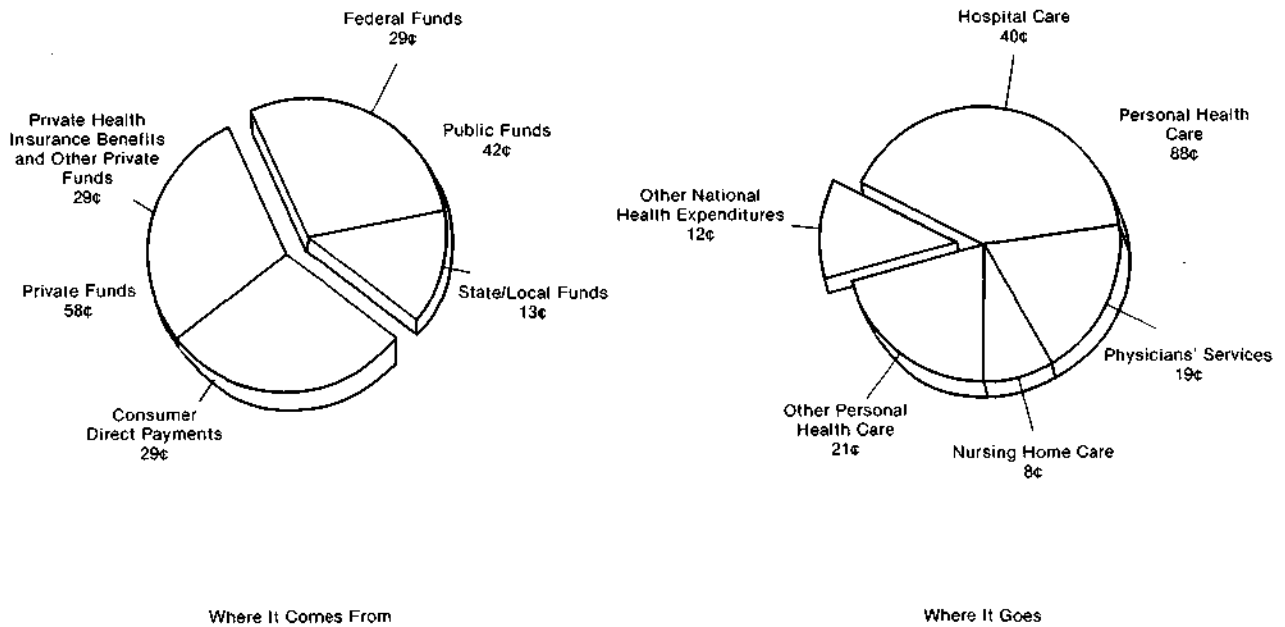
The United States spent an estimated \$247 billion for health care in 1980 (Figure 1), an amount equal to 9.4 percent of the Gross National Product (GNP). Highlights of the figures that underlie this estimate include the following:

- *Health care expenditures in 1980 accelerated at a time when the economy as a whole exhibited sluggish growth. The 9.4 percent share of the GNP was a dramatic increase from the 8.9 percent share in 1979.*
- *Health care expenditures amounted to \$1,067 per person in 1980 (Table 1). Of that amount, \$450, or 42.2 percent, came from public funds.*
- *Expenditures for health care included \$64.9 billion in premiums to private health insurance, \$70.9 billion in Federal payments, and \$33.3 billion in State and local government funds (Table 2).*
- *Hospital care accounted for 40.3 percent of total health care spending in 1980 (Table 3). These expenditures increased 16.2 percent between 1979 and 1980, to a level of \$99.6 billion.*
- *Spending for the services of physicians increased 14.5 percent to \$46.6 billion, 18.9 percent of all health care spending.*
- *All third parties combined—private health insurers, governments, philanthropists, and industry—financed 67.6 percent of the \$217.9 billion spent for personal health care in 1980 (Table 4), ranging from 90.9 percent of hospital care services to 62.7 percent of physicians' services and 38.5 percent of the remainder (Table 5).*
- *Direct payments by consumers reached \$70.6 billion in 1980 (Table 6). This accounted for 32.4 percent of all personal health care expenses.*
- *Outlays for health care benefits by the Medicare and Medicaid programs totaled \$60.6 billion, including \$35.8 billion for hospital care. The two programs combined to pay for 27.8 percent of all personal health care in the nation (Table 7).*

¹This article is the continuation of a series of reports begun in the Department of Health, Education, and Welfare in 1964. The series, now the responsibility of the Office of Research, Demonstrations, and Statistics in the Health Care Financing Administration, presents the National Health Accounts of the United States.

In some cases, data for 1980 are not yet available or are subject to revision (as is the case of Federal budget estimates). Despite the preliminary nature of these data, they constitute the most complete estimate of health expenditures available.

FIGURE 1
The National Health Dollar in 1980



Health Care Expenditures in 1980

The most notable aspect of health care spending in 1980 was its accelerated growth. The 15.2 percent increase in overall health expenditures is the highest in the last 15 years, and is substantially above the 13.4 percent growth rate between 1978 and 1979. This increase occurred at a time when the overall economy grew by 8.8 percent. Thus, the share of the GNP occupied by health care spending spurted from 8.9 percent in 1979 to 9.4 percent in 1980. (See Figure 2.)

Reasons for Interest in Health Care Spending

Health care expenditure has received an increasing amount of national attention over the last few years, for a number of reasons. First, the health care industry has grown rapidly relative to the U.S. economy in general. Not only has the output of the health sector accounted for an increasing share of the nation's output, health care is among the top five "industries" in the country by standards of payrolls or full-time-equivalent employment. Second, the prices of health care goods and services are widely perceived to be growing at a rate faster than that of other consumer prices, a perception that was generally accurate prior to 1980. (See Figure 2.) Third, personal health has become a subject of greater interest to many people in recent years, physical well-being and its attainment having become a common subject of discussion. Fourth, a large portion of the Federal budget is tied to health care expenditures. The Medicare program, in particular, finances specific levels of health care, with minimal control over the cost of services involved. Reducing the growth of Federal spending requires controlling the outlay for health care without compromising the quality of benefits provided.

Recent Developments in Health Care Spending

Spending patterns show little change over the last three years, except for a weak trend toward relatively more hospital and nursing home care. Nor has there been much change in the way in which health care is financed. What has changed is the rate of growth of health care spending. Over the last three years, the percentage change in expenditures for health care has increased steadily and has exceeded the growth rate for the GNP. Further, the rate of growth in expenditures is greater than can be explained by price growth and population growth combined: there has been an increase in the rate of growth of use of services *per capita* and in the "intensity" of services provided — the number and types of procedures performed during a contact with a health care provider. We will discuss these and other matters later in this article.

Trends in Health Care Spending Between 1965 and 1980

Over the last 15 years, health care expenditures have grown at an average annual rate of 12.6 percent. Spending patterns have changed considerably (Figure 3), as relatively more has been spent on hospital and nursing home care and a smaller percentage on drugs and construction of medical facilities. This can be explained by examining some changes in the health care system. First, the introduction of major public financing programs, including Medicare and Medicaid, as well as increases in the scope of private health insurance coverage, has encouraged use of acute care and long-term care facilities by making their services affordable to large segments of the population previously shut out of the market by price considerations. Further, drug prices remained relatively stable during this time period, so that increases in the quantity of drugs consumed did not translate into expenditure growth to the same extent as increases in other health care goods and services. The relative decline of construction as a part of health care spending can be attributed to the emergence of excess beds in many parts of the U.S. (due in part to the higher levels of construction in the 1950s and 1960s), the end of government construction subsidies, and the increasing cost of borrowing funds.

Even more dramatic than shifts in utilization patterns, however, has been the shift in sources of funds for health care spending (Figure 4). The advent of Medicare and Medicaid transferred much of the burden of hospital costs, and some of the burden of nursing home care, from private payers to the government. Private health insurance greatly expanded its coverage of drug purchases and of dental care, with corresponding decreases in the shares borne by consumers.

Classification of Health Care Goods and Services

For the sake of discussion, the types of health care purchased in the U.S. can be divided into three broad types: personal health care, other services related to current health care, and expenditures for research and construction. Within each broad category, further distinctions are made among types of goods and services provided.

"National health expenditures" comprise all spending for health care of individuals, plus the administrative costs of non-profit and government health programs, the net cost to consumers of private health insurance, government expenditures designed to promote health in general, non-profit health research, and construction of medical facilities. (See the section on definitions, concepts, and sources later in the article.) The expenditures exclude spending for environmental improvement, a category which is typically categorized with health in Federal budget documents.

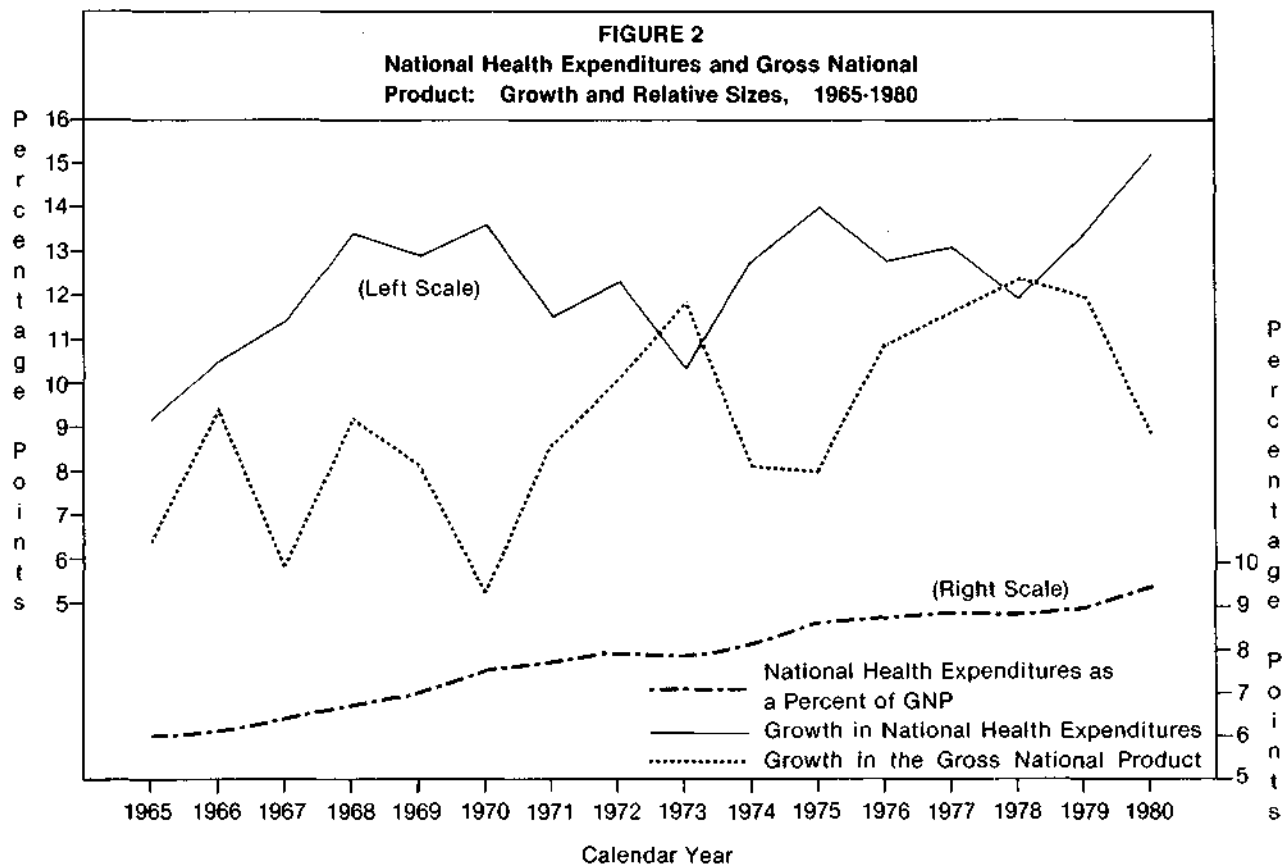
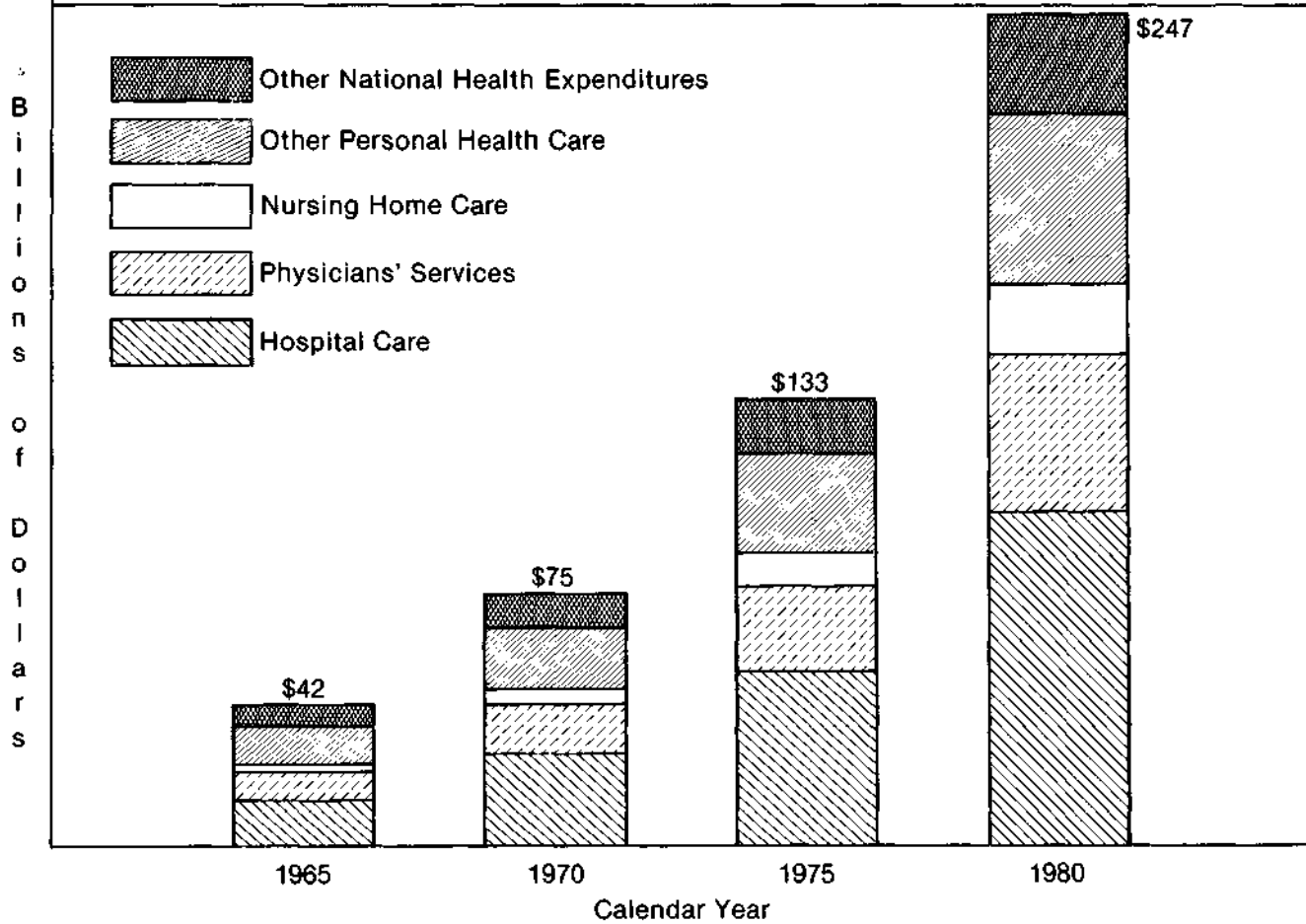
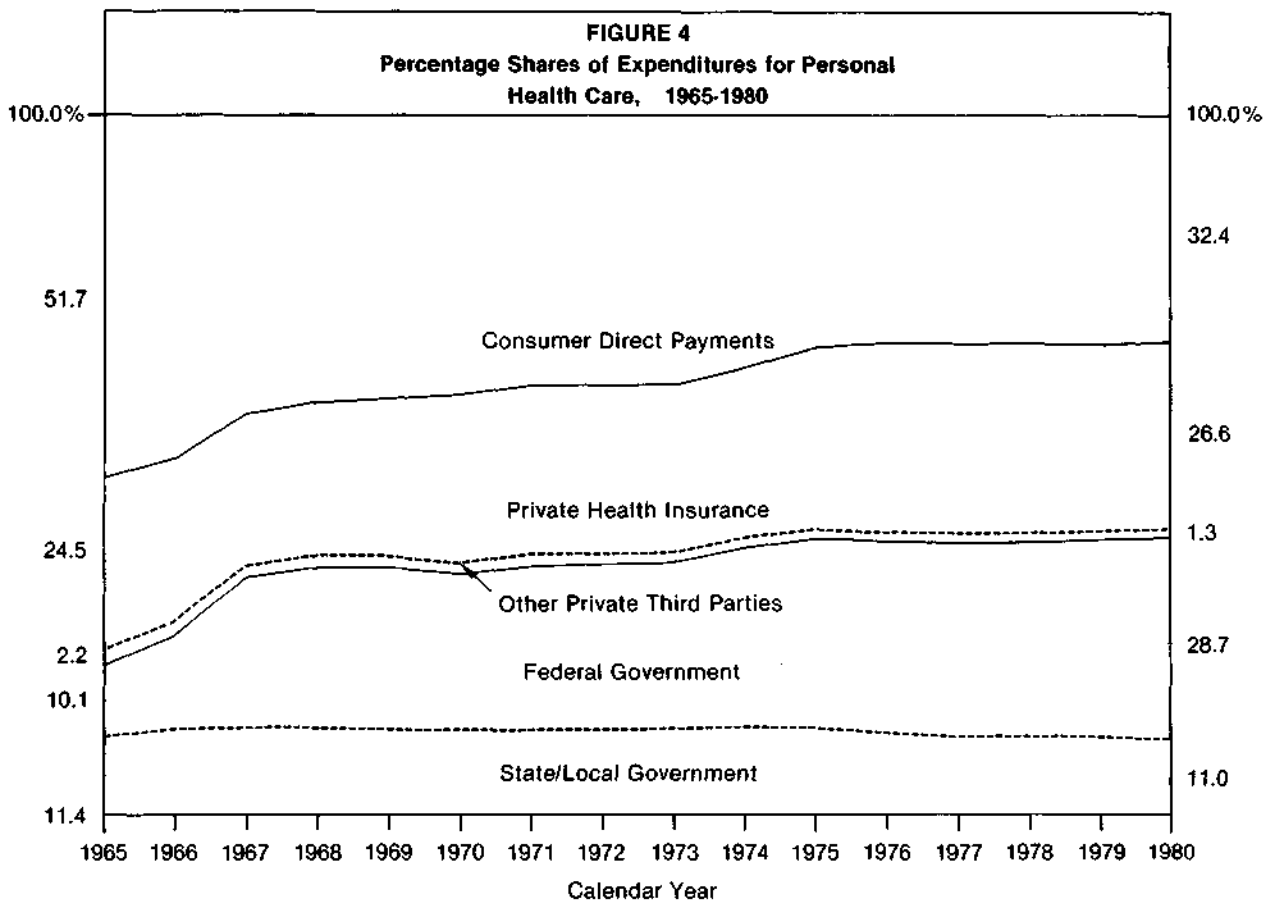


FIGURE 3
National Health Expenditures, By Type Of
Expenditure, Selected Years 1965 - 1980





Personal Health Care

A total of \$217.9 billion was spent for personal health care in 1980, up 15.2 percent from spending in 1979. Personal health care expenditures accounted for 88.2 percent of all national health expenditures. On a *per capita* basis, \$941 was spent in 1980, an increase of 13.9 percent from the 1979 level.

One perspective on these expenditures is to compare them to "personal income," one component of the GNP, and the best approximation of the resources from which personal health care spending must be paid. As shown in Table A, personal health care expenditures have consumed an increasing portion of personal income over the last 15 years, when viewed in "current" dollars. However, when price inflation is taken into account, it appears that the share of personal "purchasing power" used for consumption of health care has not risen as much as indicated by the dollar figures. This observation is consistent with the economic theory that consumer demand for health care is not very sensitive to relative price inflation. The sudden increase in 1980 of the share of personal income accounted for by personal health care expenditures reflects a similar movement in the relation of national health expenditures and the GNP and is explained by the relative independence of health care spending and wage and salary income. Medical benefits often extend into periods of unemployment, and much of personal health care spending is financed by transfer payments from the public sector to the private sector.

The growth of personal health care expenditures between 1965 and 1980 is attributable to three causes, as shown in Figure 5. Approximately 58 percent of the average annual growth is due to price inflation, as measured by the fixed-weight price index for personal health care. Another 9 percent of the annual growth in

personal health care expenditures is due to increases in the population of the United States. The remaining 34 percent is due to changes in the mix of health goods and services purchased, in the frequency with which people consume those goods and services, and in the intensity of care — the number of kinds of procedures performed during a visit to the physician, for example. This intensity factor comes close to embodying "quality" of care, an issue that has been argued repeatedly (and without resolution, due mainly to the lack of information and to a lack of consensus on what constitutes "quality").

Physicians' Services

Physicians are the most influential group in the health care sector. With the majority operating in private practice, they affect health spending levels to a much greater extent than is indicated by the 18.9 percent share of spending devoted to their services. By one estimate (Blumberg, 1979), physicians influence over 70 percent of personal health care spending. The significant decisions in determining who will be hospitalized and the type and quantity of services that will be provided are made by physicians, and the level of expenditures for prescription drugs is influenced similarly.

Expenditures for physicians' services reached \$46.6 billion in 1980, an increase of 14.5 percent from the previous year. This spending accounted for 21.4 percent of personal health care expenditures and for 18.9 percent of all national health expenditures. Price inflation and increased intensity of services were responsible for most of the growth in expenditures. Public funds — mostly Medicare and Medicaid — paid for over one-quarter of spending for physicians' services; private health insurance and direct consumer payments split the remainder almost evenly.

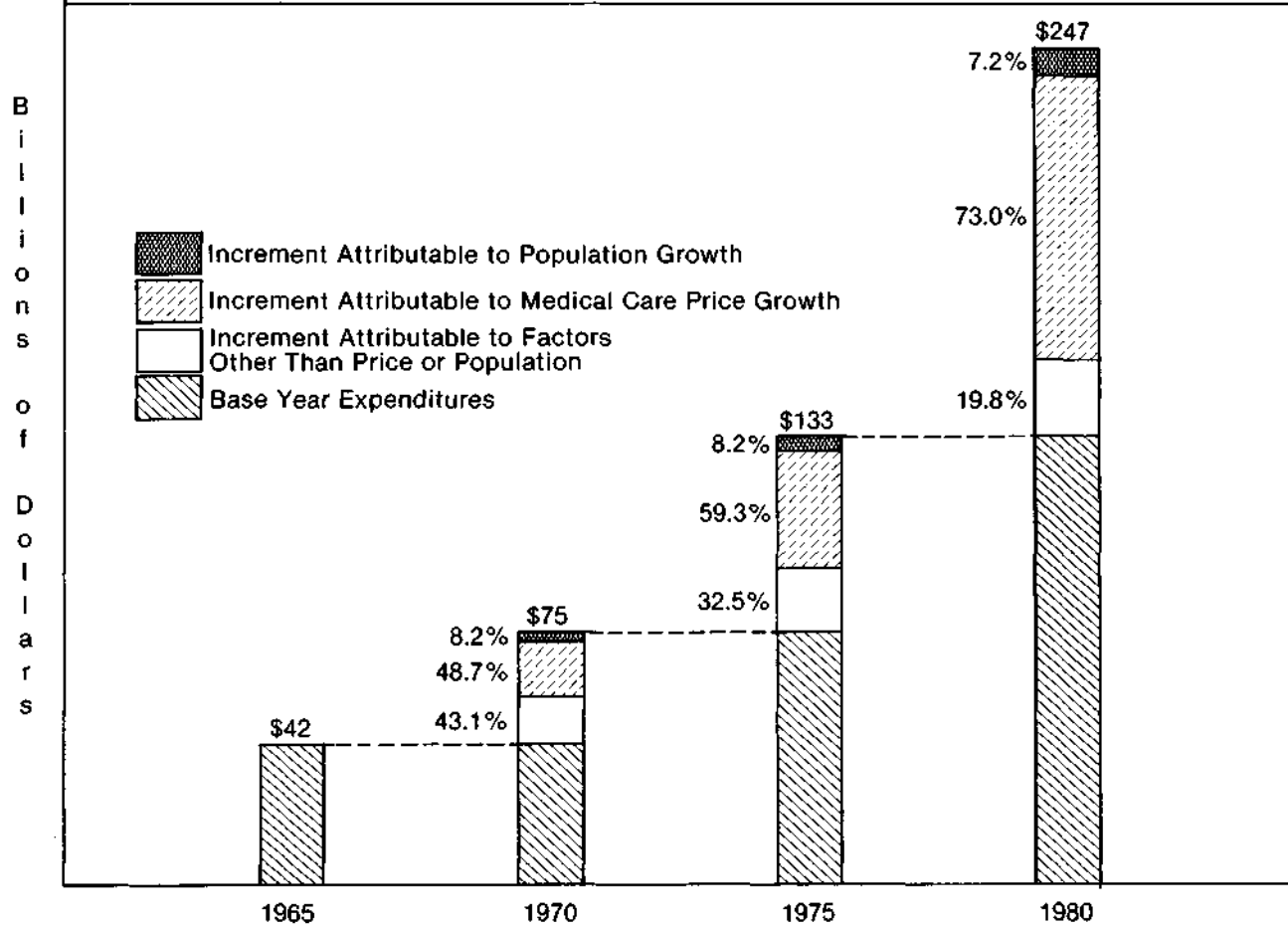
TABLE A
Personal Health Care Expenditures in Current and Constant Dollars:
Levels and as a Percentage of Personal Income, 1965-1980

Year	Current Dollars		Constant Dollars		Implicit Price Deflator for Personal Health Care Expenditures (1977 = 100.0)
	Billions of Dollars	Percentage of Personal Income	Billions of 1977 Dollars	Percentage of Constant-Dollar Personal Income ¹	
1965	\$ 36	6.6%	\$ 77	7.9%	46.4
1970	65	8.0	106	8.7	61.3
1975	117	9.2	137	9.7	85.1
1976	132	9.5	142	9.7	92.6
1977	149	9.7	149	9.7	100.0
1978	167	9.7	154	9.6	108.1
1979	189	9.7	160	9.6	118.1
1980	218	10.1	166	9.9	131.3

¹Constant-dollar personal income is the ratio of personal income and the implicit price deflator for personal consumption expenditures (scaled so that 1977 is the base year).

Source: Health Care Financing Administration, based on data from the Bureau of Economic Analysis (U.S. Commerce Department)

FIGURE 5
Factors in the Increase of Personal Health Care Expenditures
1965-1980



In the National Health Accounts, expenditures for physicians' services encompass the cost of all services and supplies provided in physicians' offices, expenditures for services of private practitioners in hospitals and other institutions, and physician-ordered diagnostic laboratory work in independent clinical laboratories.

Price inflation was a significant contributor to the growth of expenditures for physicians' services. Measured by the Consumer Price Index (CPI), physicians' fees rose 10.6 percent in 1980, more slowly than either hospital prices or consumer prices in general. Prior to 1980, however, the physician fee CPI typically rose at least as fast, if not faster, than either of the other two indexes mentioned.

The number of office consultations has not had much effect upon the growth of spending for physicians' services. The total volume and *per capita* number of physician office consultations have changed very little in recent years. For example, the National Center for Health Statistics (NCHS) Health Interview Survey shows that physician consultations *per capita* for the non-institutional population remained relatively constant at about five per year between 1971 and 1978.

Although the number of consultations provided by physicians has not changed, the number and types of services provided during the consultations — the intensity of care — appear to be increasing steadily. For example, the number of surgical operations grew from 7.2 operations per 100 persons in 1972 to 8.6 per 100 in 1980, an average annual increase of 2.2 percent; in 1979 and 1980, the rate of growth was about 2.8 percent annually. Rising surgical rates and increased out-of-hospital laboratory testing have contributed to the increase in intensity of care per physician visit, and thus to rising expenditures for physician care.

Hospital Care

Expenditures for hospital care in 1980 were \$99.6 billion, an increase of 16.2 percent from 1979. Hospital care accounted for 45.7 percent of total personal health care expenditures and for 40.3 percent of national health expenditures. As was true for all of the categories of health care services, price inflation was responsible for the major part of the increase in spending between 1979 and 1980, but 1980 was also a period of remarkable growth in the use of hospital services. The Federal government funded 41.5 percent of spending for hospital care in 1980; private health insurance paid for 35.2 percent, and State and local government funded 13.0 percent. Thus, consumers paid less than one-tenth of the cost of hospital care directly.

In the National Health Accounts, hospital care includes all inpatient and outpatient care in public and private hospitals and all services and supplies provided by hospitals. Expenditures for physicians' services rendered in hospitals are excluded, except for the services of hospital staff members.

Over the last 30 years, the hospital sector has undergone substantial changes in structure. There has been long-term growth of non-Federal, short-term, general hospitals and a pronounced decline in the

number of non-Federal, psychiatric hospitals. Between 1950 and 1979, short-term, general hospitals doubled their share of total hospital expenses (to 80 percent) and their share of inpatient days (to 70 percent). During the same period, the share of inpatient days accounted for by psychiatric hospitals fell from almost one-half to less than one-fifth, mostly as a result of deinstitutionalization of patients (made possible in part by the development of new drugs). Because psychiatric hospitals are typically run by State or local governments, the relative decline of such hospitals is mirrored in the decline of State and local government funds as a source of payment for hospital care.

As mentioned earlier, price inflation was responsible for a major portion of the accelerated increase in hospital expenditures in 1980. The Health Care Financing Administration (HCFA) has developed a fixed-weight index to measure the prices of goods and services used by hospitals in providing services. This National Hospital Input Price Index (Freeland and Schendler, 1980) rose 11.9 percent in 1980, a more rapid rate of inflation than exhibited by the GNP fixed-weight price index. Growth in the hospital price index was due in large part to an 11 percent increase in hospital wage rates and was affected by rising energy prices as well. Using that index as an approximation of prices faced by hospitals, over 70 percent of the growth in expenditures can be attributed to input price inflation.

Increased use of hospital facilities accounted for over one-fifth of the increased growth of spending for hospital care. Inpatient days in community hospitals were 3.6 percent greater than in the previous year, the highest annual increase since the implementation of Medicare and Medicaid in 1966. This rapid rise primarily reflects use by persons age 65 and older, who accounted for about three-fourths of the increase in community hospital inpatient days between 1979 and 1980. Higher rates of hospital use by the aged are related to influenza epidemics in the winters of 1979-1980 and 1980-1981 and to a severe heat wave in the summer of 1980, which increased both the morbidity and mortality rates of older persons.

As a result of the rapid increase in days of care and a relatively slower rate of increase in available hospital beds, average occupancy rates, which had declined from nearly 79 percent in 1969 to 74 percent in 1978, rose to about 76 percent in 1980.

Nursing Home Care

Nursing home care cost \$20.7 billion in 1980, an increase of 16.6 percent from 1979. This spending accounted for 9.5 percent of personal health care expenditures and 8.4 percent of total national health expenditures. Major contributors to the growth of spending in this category include rapid expansion of intermediate care facilities for the mentally retarded (ICF-MR) funded by Medicaid, as well as growth of prices and days of care. Public programs pay for a little more than a half of the total, and consumers finance most of the rest directly.

In the National Health Accounts, nursing home services are those provided in skilled nursing facilities (SNFs), in intermediate care facilities (ICFs), and in

personal care homes which provide nursing care. The relatively small amount of nursing home-type care provided in hospitals is included with expenditures for hospital care.

Increasing longevity, changing social patterns of family responsibility for the elderly, and the availability of funding from public programs (primarily Medicaid) provide greater incentive for institutionalization and underlie much of the growth in nursing home care. Excluding the special Medicaid ICF-MR category mentioned earlier, spending for other nursing home care almost doubled between 1975 to 1980, growing from \$9.8 billion to \$19.0 billion. During that five year period, prices paid by nursing homes for the goods and services needed to provide care increased at an average annual rate of 8.7 percent. We estimate that nursing home days of care increased in excess of 3 percent annually, while the U.S. population age 65 and over increased 2.7 percent per year. In 1980, input prices increased 10.1 percent (higher than the average rate for 1975 to 1980), while growth in the number of days of care provided (about 3 percent) was lower than the five year average. The net effect of these changes was that spending for nursing home care, while growing at a rapid 16.6 percent rate, began to show signs of diminishing growth.

Drugs and Medical Sundries

This category accounted for 8 percent of national health expenditures (\$19.2 billion) in 1980. This figure includes spending for prescription drugs, over-the-counter drugs, and medical sundries dispensed through retail channels. Expenditures for drugs purchased or dispensed by hospitals, nursing homes, other institutions, physicians, and dentists are excluded.

Drugs constitute a significant factor in the treatment of illness. Fifty-nine percent of physician consultations result in at least one prescription for medication. About 57 percent of all dollars for drugs and medical sundries are spent for prescription drugs alone, and another 31 percent are spent for over-the-counter drugs.

From 1965 to 1980, spending for retail drugs and sundries increased about 9.1 percent annually, a rate significantly below other major health care services. Consequently, its share of health care spending has declined, from over 12 percent in 1965 to 7.8 percent in 1980. However, the 11.9 percent rate of growth in drug spending between 1979 and 1980 may signal the end of that trend.

Other Personal Health Care Goods and Services

Expenditures for all other types of personal health care goods and services were \$31.8 billion in 1980, an increase of 14.8 percent. That spending amounted to about 15 percent of all personal health care expenditures and to 13 percent of national health expenditures. Growth of this composite component was influenced significantly by the growth of spending for dentists' services and, to some extent, by the growth of spending for other professional services. About 21

percent of the expenditures in this group of services are financed through government programs, and consumers pay for another 61 percent directly.

These expenditures include spending for the services of dentists and dental laboratories. They also include spending for services of other health professionals (including most home health agencies), for eyeglasses and orthopedic appliances, and for providing care in industrial settings.

Spending for dentists' services, which reached \$15.8 billion in 1980, increased not only because of relatively rapid price inflation, but also because of recent increases in the extent of third-party dental coverage. Traditionally, use of dental services fluctuated with the business cycle. However, despite a 12 percent increase in the CPI for dental care in 1980 (caused by higher labor wage rates and by higher gold and silver prices) and a slump in the general economy, "price-deflated" expenditures *per capita* for dental services increased. This departure from tradition is probably due to the increased extent of third-party dental coverage, especially to the expansion of the share of total expenditures for dentists' services assumed by private health insurance from 2 to 21 percent between 1965 and 1980. Not only are more people now covered by some form of dental insurance, but the extent of the insurance has increased as well.

Other Health Expenditures for Current Services

Expenditures for health care which were not for personal care, but which dealt with current health services, were \$17.7 billion in 1980, up 16.5 percent from 1979; these expenditures amounted to 7 percent of national health expenditures. The expenditures were for one of three types of services: the net cost of private health insurance, the administration of government and philanthropic health programs, and government programs to advance the general health of the population.

The growth patterns of these different expenditures vary considerably. The administration component has risen as a fairly constant proportion of total public benefit payments. Expenditures for government public health activities (such as the Center for Disease Control) have been growing at high but diminishing rates. The net cost of private health insurance — the difference between premiums earned and claims incurred by private health insurers — has fluctuated considerably (Carroll and Arnett, 1981).

Other National Health Expenditures

National health expenditures devoted to development of the health care sector were \$11.6 billion in 1980, an amount equal to 4.7 percent of total health care spending. This spending went for non-profit research and for construction of medical facilities.

The \$5.4 billion spent for research in the National Health Accounts excludes research performed by drug companies and by other manufacturers and suppliers of health care goods and services (an estimated \$1.8 billion in 1978). The reason for the exclusion is that it is assumed that the research is funded from sales of the good or service, so that it is already considered in total expenditure estimates. In 1980, 6 percent of

research was performed by private, non-profit organizations, and most of the remainder was performed by the Federal government.

Of the \$6.1 billion spent on construction of medical facilities, 35.5 percent was funded from public sources. Grants from philanthropic organizations funded 7.3 percent, and the remainder came from internal funds or from the private capital market. This estimate does not include spending for capital equipment, since there is no source of data to yield a reliable, consistent time series of data on spending for equipment.

The Health Care Market

The health care market is atypical of the perfect market for goods and services envisioned by standard economic theory. More than any other market, it is dominated by third-party payers, that is, by persons or organizations who purchase care on behalf of those who consume it. In 1980, two-thirds of personal health care expenditures were made by the government or by private health insurance. To that extent, consumers of health care tend to be isolated from the true price of health care and tend to consume more care than they would were they to pay directly the full price of the goods and services they receive. The predominance of third-party payers affects not only aggregate demand in the health care market. Providers of care who are paid under cost-based reimbursement or fee-for-service mechanisms have less incentive to provide "cost-effective" care because of a general lack of price competition. One theory is that it is this market structure that has contributed to excessive growth of health care expenditures.

A second sense in which the health care market diverges from the "perfect market" of economic theory is that, unlike consumers in most other markets, the consumers of health care lack full information when decisions are made to purchase health care. For example, hospital admission is usually made upon the decision of a seller of health care (a physician) rather than by the consumer of hospital services (the patient) or by the purchaser of the service (the government, private health insurers, or the patient). Whether that patient would choose the same types and quantities of care if he or she had complete information is an issue yet to be answered empirically. To the extent that the patient would not make the same choices, the industry plays a major role in determining its "sales."

A corollary to these theories is that the absence of the "usual" market forces limiting health care expenditures may generate political (non-market) bargaining between payers and providers; where the government is the payer, this takes the form of regulation or rate-setting (Feder and Spitz, 1980). In practice, those parts of the health care sector in which government pays the highest proportion of costs (hospitals, for example) are also parts of the sector with the greatest degree of cost regulation.

Financing Health Care

Unlike other goods or services for which the consumer pays the provider directly, health care payments often

are handled by a financial agent — a "third party." In 1980, 67.6 percent of the funds spent for personal health care were supplied by third parties, principally by private health insurers and by public agencies acting as insurers (Figure 6). The details of the payment method may vary: the consumer may pay the provider and apply for reimbursement from the third party, the provider may bill the third party directly, or the provider may be employed by the third party (as in the case of Defense Department hospitals, for example). In the case of Medicare, providers bill "financial intermediaries," private health insurers acting as agents for the Federal government.

The history of third-party payment for the provision of health care can be divided into three eras. Prior to World War II, there was little third-party activity in the market, except for philanthropic organizations. The second era comprised the expansion of private health insurance from the end of the Second World War through 1965. The third era began with the implementation of the Medicare and Medicaid programs in 1966.

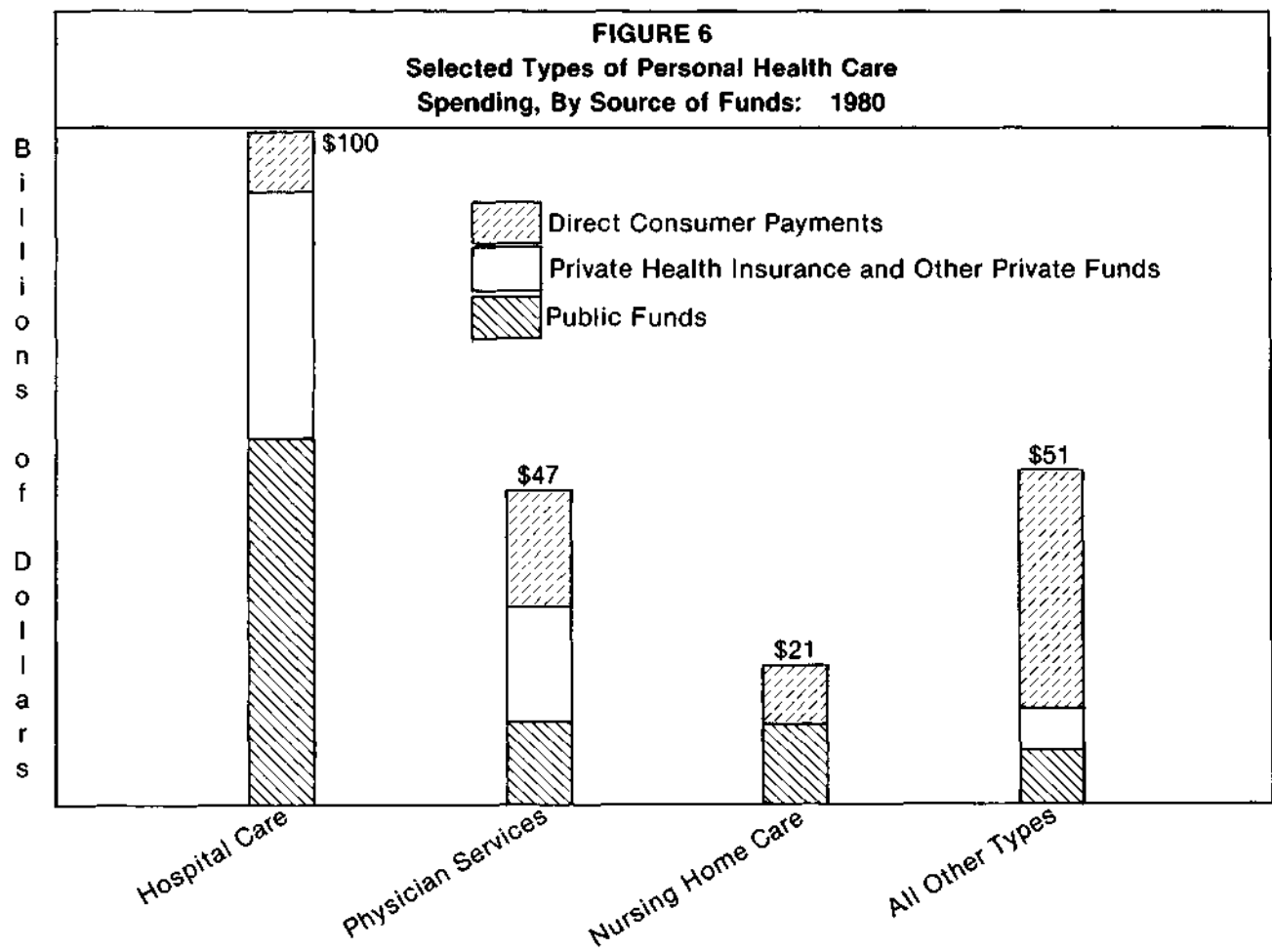
Private Health Insurance

In 1980, private insurers — Blue Cross and Blue Shield plans, commercial insurance companies, and independent plans — paid benefits of \$58.1 billion, 26.6 percent of personal health care expenditures. In 1979 (the latest year for which such data are available), approximately 171 million persons, 76 percent of the U.S. population, were covered by private health insurance for hospital care.

The premiums collected by private health insurers normally exceed the amounts paid out in benefits, to cover the administrative cost of paying claims, to maintain appropriate and required reserves against future claims, and, in the case of for-profit companies, to return a profit. The difference between the premiums and benefit payments, the "net cost," is included in the national health expenditure estimates under "Expenditures for Prepayment and Administration." It is not classified in personal health care. A total of \$64.9 billion in premiums was collected in 1979, from which \$58.1 billion was paid in benefits. The remaining \$6.8 billion represented the "net cost." Premiums payments amounted to 26 percent of all national health spending. (See Carroll and Arnett, 1981, for a detailed discussion of the private health insurance sector.)

Consumer expenditures for health care represent that portion of the health care dollar that is not financed by public programs or paid by philanthropy or industry. It is the share that is potentially insurable through private health insurance. In 1980, consumer expenditures for personal health care were \$128.7 billion, and 45 percent was covered by insurance benefits. This percentage has increased significantly from 32 percent in 1965.

Only a very small portion of the population has the financial resources to afford the private medical care associated with major illness. This was noted in 1929 by the Committee on the Costs of Medical Care (Falk et al, 1933) and is still true today. Faced with this problem, there are strong incentives for the prepayment and risk-sharing offered by private health insurance. By 1950, 9 percent of personal health care



was financed through private health insurance. Private health insurance expanded rapidly in the 1950s: by 1960, the financing share had more than doubled, to 21 percent. In 1965, 25 percent of personal health care expenditures were covered by private insurance. With the enactment of Medicare and Medicaid in 1965, government expenditures began to increase significantly, and the growth of the insurance share began to slow. In the last few years, it has stabilized at about 27 percent.

Private health insurance coverage varies by type of care. Hospital care was the first type of service to be covered extensively by insurance. In 1960, private insurance covered 36 percent of hospital care expenditures. That share reached 42 percent by 1965. When Medicare and Medicaid were established in 1966, hospital care spending increased dramatically, and the portion paid by private insurance dropped to less than 34 percent by 1967. It has remained between 33 and 36 percent since that time.

Extension of coverage beyond surgical procedures in recent years has led to a higher share of physicians' services being reimbursed by private insurance. This share rose from 32 percent in 1965 to 36 percent in 1980. For other health care services, insurance coverage has been extremely limited. Dental care represents one service where coverage is growing. Enrollment for dental benefits rose over 50 percent between 1976 and 1979 to a total of 60.3 million persons. Insurance paid for about 21 percent of all dental expenditures in 1980.

Public Expenditures

Government programs spent \$86.4 billion and provided 39.7 percent of personal health care spending in 1980. Federal funds provided \$62.5 billion, more than two-thirds of the public outlay. State and local governments provided the remaining \$23.9 billion.

The two largest government programs which finance health care are Medicare and Medicaid. Together, the two programs paid \$60.6 billion in benefits in 1980², financing nearly 28 percent of all personal health care expenditures and accounting for over two-thirds of all public spending for personal health care. About one-fifth of the U. S. population (47 million people) is covered by Medicare and/or Medicaid. In 1977, the administration of these two programs was consolidated under HCFA, in what is now the Department of Health and Human Services (DHHS).

Medicare and Medicaid have dramatically altered the nature of public spending since 1965. At that time, the Federal government and State and local governments shared almost equally in spending for personal health care — with 10.1 and 11.4 percent, respectively. By 1980, the Federal portion had increased to 28.7 percent, while the State and local share remained nearly unchanged at 11.0 percent.

²This figure does not include \$328 million paid by the Medicaid program to purchase Medicare Part B coverage for eligible Medicaid recipients. This "buy-in" amount is reported both as a Medicaid expenditure and Medicare expenditure but is deducted from the combined figure.

Because of the orientation of Medicare and Medicaid toward hospital care, public spending for hospital care jumped from 38.9 to 54.8 percent of the total between 1965 and 1967. Since 1967, that share has changed very little. The public share of spending for physicians' services has more than tripled since 1965, reaching 26.4 percent in 1980, due in part to the coverage by Medicare of the aged, some disabled workers, and persons with end-stage renal disease.

Medicare

Nearly 29 million persons, 90 percent of whom are 65 or older, are enrolled under the Medicare program. In 1980, program expenditures totaled \$36.7 billion, of which \$35.6 billion were benefit payments. An average of \$2,064 per person was paid in 1980 for the approximately 17.3 million persons receiving benefits. Medicare spending for personal health care increased 21.4 percent in 1980, compared to an increase of 15.2 percent in total personal health care expenditures. The primary reason for this increase is the rapid escalation of outlays for hospital care.

In 1980, Medicare spent an amount equal to 41.2 percent of all public funds for personal health care and equal to 16.3 percent of total spending for personal health care. Almost three-quarters of Medicare benefits are for hospital care; another fifth pays for physicians' services.

Medicare (Title XVIII of the Social Security Act) was implemented July 1, 1966, as a Federal insurance program to protect the elderly from the high cost of health care. Rather than providing medical care directly, Medicare was intended to reimburse for care received from private sector providers. In July 1973, coverage was extended to permanently disabled workers and their dependents eligible for Old Age, Survivors, Disability, and Health Insurance (OASDHI) benefits and to persons with end-stage renal disease.

Unlike other Federal programs, Medicare is not financed solely by general revenues. The Hospital Insurance (HI or Part A) program is financed largely through a payroll tax on employers and employees. The Supplemental Medical Insurance (SMI or Part B) program is financed through premium payments and general revenues. The general revenue share of Part B funding has grown significantly, from about 50 percent in 1972 to 68 percent in 1979. By law, SMI premiums may not increase more than the increase in monthly cash retirement and survivor benefits under the social security programs. SMI benefit payments have grown faster than premium receipts, requiring a proportionately greater amount of general tax revenues to maintain the trust fund.

Nearly all Medicare HI hospital benefits are for care in community hospitals. In fiscal year 1980, Medicare payments per short-stay inpatient day of care increased over 12 percent, about the same rate as community hospital expenses per inpatient day. However, total Medicare hospital outlays grew faster than community hospital expenses. Days of care provided to persons age 65 and older increased faster than days of care provided to persons under age 65, and almost all persons 65 and older are enrolled in the Medicare HI program.

Medicare outlays for physicians' services also increased as a share of total physician expenditures in 1980, related in part to increased hospitalization rates for Medicare beneficiaries (especially aged beneficiaries). Allowed charges for physician services in hospitals (which include Medicare reimbursements, deductibles, and coinsurance) account for an increasing percent of all allowed physician charges under Medicare's Part B program. Between 1971 and 1977, charges for physician services to aged beneficiaries on an inpatient basis increased gradually from 57 to 61 percent of all allowed physician charges, a trend which probably continued through 1980.

Medicare payments for SNF care as a percent of total nursing home revenues have declined in recent years. In 1968, Medicare provided over one-tenth of total nursing home revenues. By 1980, that share had dropped to 2 percent. Most of the decrease occurred between 1969 and 1971, following a policy decision to strictly define Medicare nursing care coverage.

Medicare reimbursement for home health agency services has grown significantly. Home health care costs in fiscal year 1980 were \$750 million, compared to \$382 million for SNF care. In contrast, Medicare spent \$60 million for home health care in fiscal year 1968, compared to \$344 million for SNF care. Nine-tenths of Medicare payments for home health agency care are included in "other professional services." The remainder, which are for care provided by hospital-based agencies, are reported under "hospital care."

Medicaid

In 1980, Medicaid paid \$25.3 billion in combined Federal and State funds to provide benefits equal to 11.6 percent of personal health care spending. Medicaid expenditures were 16.9 percent higher than in 1979 and averaged \$1,165 for each of the program's 22 million recipients. Hospital care and nursing home care each accounted for more than a third of program benefit expenditures.

Medicaid was established in 1966 by Title XIX of the Social Security Act, as a joint Federal-State program to provide medical assistance to certain categories of low-income persons. These include aged, blind, and disabled persons, or members of families with dependent children. The program is State-administered and provides Federal matching grants for a portion of the cost of providing medical benefits to the categorically eligible. In addition, if the State chooses, Federal matching funds are available for medical benefits for the "medically needy" — persons in one of the qualifying categories who have incomes too high for cash assistance but not adequate to pay their medical bills.

The Federal share of Medicaid payments in a given State is derived from a formula based on the State's *per capita* income. The Federal contribution ranges from 50 to 78 percent currently, averaging 54.5 percent nationwide. The Federal share of Medicaid dropped over two percentage points since 1977, so that the State share of Medicaid's financial obligations has increased. This decline is due in part to the revisions in formula match ratios which occur every two years (the latest is for fiscal year 1980), and in part to the changing proportion of each State's Medicaid spending of the national total.

The Medicaid program has a stronger orientation toward long-term, non-acute, institutional care than does the Medicare program. Long-term care encompasses care through home health agencies, nursing facilities, and mental hospitals. Long-term care benefit expenditures amounted to almost half of all 1980 Medicaid program spending. These expenditures included payments to psychiatric hospitals amounting to 12 percent of all Medicaid inpatient hospital expenditures. Nursing facility expenditures include spending in SNFs, ICFs for the mentally retarded, and all other intermediate care facilities. Excluding payments for ICFs for the mentally retarded, Medicaid nursing home payments comprised about 42 percent of regular spending for nursing home care in recent years. By far, the fastest growing segment is intermediate care for mentally retarded (ICF-MR), which accounted for 16.6 percent of Medicaid nursing facility expenditures in 1980. Spending for ICF-MR care increased 34 percent between fiscal years 1979 and 1980, reaching a level of \$2.3 billion, some of which is hospital-based and reported as such.

Other Public Program Expenditures

State spending for medical care for the poor who are not eligible for Medicaid, and State spending which is not eligible for Federal matching funds, are classified as "Other Public Assistance Payments for Medical Care." In 1980, this spending amounted to \$1.6 billion.

In addition, a large public contribution to health spending comes from State and local government outlays in their own hospitals. State and local governments spent \$6.0 billion in 1980 for hospital care in excess of reimbursements received from public and private sources.

Other significant contributors to public spending for personal health care are workers' compensation programs, which accounted for 4.5 percent of all public spending, the Veterans Administration, accounting for 6.7 percent, and the Department of Defense, accounting for 4.9 percent.

"Other Public Expenditures for Personal Health Care," shown in Table 7, include spending by a number of public programs not detailed in this article. These include maternal and child health programs, \$714 million; medical payments under vocational rehabilitation, \$277 million; temporary disability insurance, \$63 million; Public Health Service activities, \$1,158 million; Indian Health Services, \$384 million; and Alcohol, Drug Abuse, and Mental Health Administration, \$791 million.

Philanthropy and Industrial In-plant

Some health care is provided to industrial employees through in-plant health services. Expenditures for these services, classified under "other health services," are estimated at \$1.4 billion for 1980. Private philanthropic organizations' funds for personal health care are classified by type of care and totaled over \$1.4 billion in 1980. Administrative and fund-raising expenses of private charities are classified with expenses for prepayment and administration,

while philanthropic support of research and construction is included with the respective expenditure categories.

Direct Payments

The portion of personal health care expenditures not paid by third parties is known as "direct payments" or "out-of-pocket" costs. This amount excludes premium payments for Medicare or private health insurance premiums but does include deductible and coinsurance amounts. In 1980, direct payments amounted to \$70.6 billion, \$305 per person. There has been a decline in out-of-pocket payments for health care, from a little over one-half of personal health care spending in 1965 to less than one-third in 1980 because of the rapid growth in third-party payments.

The share of expenditures borne by the consumer varies enormously by type of service. (See Table 6.) In 1980, consumers paid only 9.1 percent of hospital expenditures directly, and they paid 37.3 percent of physicians' expenditures. For dentists, however, the direct share was 75.4 percent, and for drugs and drug sundries it was 82.7 percent. As shown in Table 5, the direct payment share for hospital and physicians' services has been cut nearly in half since 1965. For all other services, however, private health insurance and public programs have not assumed as great a share of the burden.

Definitions, Concepts, and Sources of Data

The estimates in this article are presented within the framework of the National Health Accounts of the United States. This framework provides a more definitive picture of health care spending than do other national estimates, such as the National Income and Product Accounts (the GNP).

Estimates of national health expenditures are compiled by type of expenditure (use of funds) and channel of financing (source of funds). In most instances, the total level of the expenditures for each type of service is developed for the nation as a whole; estimates for government spending for these services are then subtracted to derive the private contribution. The accounting framework used for national health expenditures identifies each dollar spent for health care and counts it only once as it moves through the U.S. health care system.

Revisions

Some estimates published in the 1980 report have been revised in this current report. Portions of some time series back to 1965 have been revised to reflect changes in some basic data sources, the interpretation made of them, and improvements in methodology.

To estimate the expenditures in the National Health Accounts (NHA) series we analyzed a multitude of data sources which reflect spending for health care and use of health care services. Revisions to these estimates are of two types. Estimates for the most re-

cent two years are revised routinely, as they incorporate short-term forecasts of the levels of the principal data sources described in the final section of this article. Second, information from each of the data sources must be reconciled with other related sources before being incorporated into the NHA accounting framework. As a result of this process, or with the availability of new or more reliable information, historical series are revised.

In this year's report, estimates of expenditures by private health insurers have been revised back to 1965, mostly to eliminate estimated duplication in premium and benefit payments. Hospital expenditure estimates have undergone minor revisions to more accurately reflect the American Hospital Association Annual Survey data when adjusted to a calendar year basis. Expenditures for drugs and eyeglasses were adjusted to incorporate the benchmark revisions made to the National Income and Product Accounts of the U.S. Commerce Department. Nursing home expenditures were revised from 1973 forward.

Hospital Care

The estimates of expenditures for hospital care are compiled chiefly from data on hospital finances collected by the American Hospital Association (AHA) as part of the Annual Survey of Hospitals and the monthly National Hospital Panel Survey. The data from the monthly survey are used to project levels of community hospital expenditures for periods more recent than the latest annual survey and to adjust the annual survey data to correspond to the various time periods for which estimates are made.

The composite estimate represents all spending for hospital services in the nation for both inpatient and outpatient care, including all services by hospital staff (including physicians salaried by the hospital), drugs, and other supplies. Services of self-employed physicians in hospitals (surgeons, for example) are not counted as hospital expenditures. Anesthesia and X-ray services are sometimes classified as hospital care expenditures and sometimes as expenditures for physicians' services, depending on billing practices. Spending for hospital-based home health agency services is included in this estimate.

The purpose of this category is to identify outlays for hospital services rather than the cost of providing such services. Total revenue data are used for community hospitals; for other types of hospitals, where revenue data are not available, total expenses are used. Certain adjustments are made in the AHA data: additions are made to allow for a small number of hospitals not included in the national totals; for Federal hospitals, estimates are based on figures obtained from the responsible agencies.

Nursing Home Care

Expenditures for nursing home care encompass spending in all facilities or parts of facilities providing some level of nursing care. (As an exception, hospital-based, long-term care is included with hospital expenditures.) Included are all nursing homes certified by Medicare and/or Medicaid as SNFs, those certified by

Medicaid as ICFs for regular patients as well as solely for the mentally retarded, and all other homes providing some level of nursing care, even though they are not certified under either program.

The estimates for total nursing home expenditures other than those ICFs serving the mentally retarded are derived from data on facilities, utilization, and costs. Sources for these data are the NCHS National Nursing Home Survey and the Internal Revenue Service (IRS) statistical reports. Estimates for years for which no data are available are based on estimates of utilization and of indexes of prices paid by nursing homes for labor and non-labor resources. The non-hospital portion of Medicaid expenditures for ICFs for the mentally retarded is added to regular nursing home expenditures.

Services of Physicians, Dentists, and Other Health Professionals

Expenditures for the services of these practitioners are based primarily on data compiled from business income tax returns filed with the IRS and published in *Statistics of Income—Business Income Tax Returns*.

The business receipts of sole proprietorships, partnerships, and incorporated practices (which exclude non-practice income) are totaled to form the core of the physician component. To that sum is added a portion of spending for outpatient, independent laboratory services that is assumed to be billed directly to patients and not included with physicians' business receipts. Also added is an estimate of the expenses of non-profit, group practice prepayment plans in providing physicians' services, to the extent that these expenses are not reported by member physicians as income from self-employment. (Physician group practices that are non-profit corporations are included with prepayment plans as indicated above, or, where services are provided under contract to hospitals, with hospital expenditures.) Finally, an estimate of fees paid to physicians for life insurance examinations is deducted.

Expenditures for non-profit, group practice dental clinics are added to the IRS total estimate of dentists' business receipts. No separate adjustment is necessary for dental laboratories, since all billings are assumed to be made through dentists' offices.

The salaries of physicians and dentists on the staffs of hospitals or hospital outpatient facilities are considered a component of hospital care; if they are serving in field services of the armed forces, their salaries are included in "other health services." Whenever possible, expenditures for the education and training of medical personnel are considered as expenditures for education and excluded from health expenditures.

The IRS statistics provide estimates of the income of other health professionals in private practice. These include private duty nurses, chiropractors, optometrists, and other health professionals. Estimates for home health agencies that are not hospital-based are added to the private income of other health professionals. The portions of optometrists' receipts that represent the cost of eyeglasses are deducted, since they are included under spending for eyeglasses and appliances.

Drug and Medical Sundries, Eyeglasses, and Orthopedic Appliances

Expenditures in these categories include only spending for outpatient drugs and appliances purchased from retail trade outlets by consumers. The category excludes spending for goods provided to patients in hospitals and in nursing homes and for those dispensed through physicians' offices. The basic data used to estimate private spending for drugs and drug sundries and for eyeglasses and appliances are the estimates of personal consumption expenditures compiled by the Bureau of Economic Analysis (U.S. Commerce Department) as part of the GNP. The two series that are used are "drug preparations and sundries," representing non-durable medical goods, and "ophthalmic products and orthopedic appliances," which are durable medical goods. Payments by workers' compensation programs are deducted from the GNP series, since they are treated as a private consumer payment in the Commerce Department series but as a public expenditure in the National Health Accounts. The resulting private spending figure for drugs and appliances is combined with expenditures by public programs for these products to arrive at the total amount of expenditures for the nation.

Other Health Services

Personal health care expenditures that could not be classified elsewhere are brought together in this category. It includes the expenditures in each public program that could not be classified as a specific type of medical service. In addition, it includes industrial in-plant services, school health services, and provision of care in Federal units other than hospitals.

Expenditures for industrial in-plant services consist of private industry spending to maintain on-site health services. School health spending is reported under the source-of-fund category of "other public expenditures for personal health care" in Table 2. Expenditures for medical activities in Federal units other than hospitals are residual amounts that primarily represent the cost of maintaining field and shipboard medical stations and military outpatient facilities separate from hospitals.

Government Public Health Activities

The Federal portion of government public health activities consists of outlays for the organization and delivery of health services, the prevention and control of health problems, and similar health activities administered by various Federal agencies, chiefly the Department of Health and Human Services.

The State and local portions represent expenditures of all State and local health departments, less intergovernmental payments to the States and localities for public health activities. They exclude expenditures of other State and local government departments for control of air and water pollution, sanitation, water supplies, and sewage treatment. The source of these data is *Governmental Finances*, an annual statistical series published by the Bureau of the Census, and the periodic Census of Governments.

Expenses for Prepayment and Administration

Prepayment expense is the difference between the earned premiums or subscription income of private health insurance organizations and claims or benefit expenditures incurred (in the case of organizations that provide services directly, the expenditures for providing such services). In other words, it is the amount retained by health insurance organizations for operating expenses, additions to reserves, and profits.

Administration expenses in the National Health Accounts include the overhead of private voluntary health organizations. They also include the administrative expenses of the Medicare, Medicaid, Veterans Administration, Department of Defense, Workers' Compensation, Indian Health Service, and Maternal and Child Health programs.

Medical Research

Expenditures for medical research include all spending for biomedical research, and for research in the delivery of health services, by private organizations and public agencies whose primary object is to advance human health. Also included are those research expenditures made by other Federal agencies.

The Federal amounts are derived from agency reports. The amounts shown for State and local governments and private expenditures are based on published estimates prepared by the National Institutes of Health — primarily in the annual publication, *Basic Data Relating to the National Institutes of Health*.

Construction of Medical Facilities

Expenditures for construction are the "value put in place" for hospitals, nursing homes, medical clinics, and medical research facilities, but not for private office buildings providing office and laboratory facilities for private practitioners. Also excluded are amounts spent for construction of water treatment or sewage treatment plants and Federal grants for these purposes. The data for "value put in place" for construction of publicly and privately owned medical facilities in each year are taken from Department of Commerce reports.

Government Program Expenditures

All expenditures for health care that are channeled through any program established by public law are treated as a public expenditure in these estimates. For example, expenditures under workers' compensation programs are included with government expenditures, even though they involve benefits paid by private insurers from premiums that have been collected from private sources.

Premiums paid by enrollees in the Medicare SMI program are reported as program outlays. In 1980, \$328 million was spent by the Medicaid program to purchase Medicare SMI coverage for eligible Medicaid recipients. This "buy-in" amount is reported both as a Medicaid expenditure and as a Medicare expenditure.

Federal Expenditures

Federal program expenditures are based in part on data reported to the Office of Management and Budget by the various Federal agencies as part of the Federal budget process.

Several significant differences exist from spending reported in the Federal budget, however, because of the conceptual framework on which the national health expenditure series is based. Expenditures for education and training of health professionals are excluded from national health expenditures. The majority of these expenditures constitute direct support of health professional schools and student assistance through loans and scholarships. Payments by agencies for health insurance for employees are included with other private health insurance expenditures, rather than as government expenditures.

Outlays of Federal programs by the type of health care provided are based on information obtained from the agencies that administer each program.

State and Local Expenditures

In general, all spending by State and local government units for health care that is not reimbursed by the Federal government through benefit payments or grants-in-aid, nor by patients or their agents, is treated as State and local expenditures. State and local spending excludes Federal reimbursements and grants-in-aid for various programs. The amounts received from the Federal government as revenue sharing funds and used for health programs are not deducted from State spending since there is not adequate information to make this adjustment. During fiscal year 1978, States used \$706 million in revenue sharing funds for health care purposes, much of which is reflected in the category "government public health activities."

As with Federal expenditures, payments for employee health insurance by State and local governments as employers are included under private health insurance expenditures.

Private Health Insurance

Estimates of the amount of health care expenditures financed by private health insurance are derived from the data series on the financial experience of private health insurance organizations compiled and analyzed by HCFA. (See Carroll and Arnett, 1981.)

Price Indexes for Personal Health Care Expenditures

To examine trends in "real" personal health expenditures (those from which the effects of price changes have been removed), an implicit price deflator for personal health care is used. The deflator, a Paasche price index developed by HCFA, is the result of piecewise price adjustment of the components of personal health care expenditures. Conceptually, this composite deflator is superior to the medical care price index of the CPI, since the weights are derived from total spending for each personal health category. The weights are adjusted each year to reflect changes in use, and, where possible, the price measures used are more reflective of overall spending in a category.

A fixed weight, or Laspeyres, price index has been derived as well, to examine the effects of changes in price, population, and intensity on the growth of personal health care. The price for each type of service is the same as that used for the deflator discussed above; the weight attached to the price of each service is the 1977 level of spending for that service as a share of total personal health care expenditure.

TABLE 1
National Health Expenditures: Aggregate and *per Capita* Amounts by Major Source of Funds and as a Percentage of the Gross National Product
Selected Calendar Years, 1929-80

	1980	1979	1978	1977	1976	1975	1974	1973	1972	1971	1970
National Health Expenditures (billions)	\$247.2	\$214.6	\$189.3	\$169.2	\$149.7	\$132.7	\$116.4	\$103.2	\$93.5	\$83.3	\$74.7
As a Percentage of the GNP	9.4%	8.9%	8.8%	8.8%	8.7%	8.6%	8.1%	7.8%	7.9%	7.7%	7.5%
Sources of Funds:											
Private Expenditures	\$143.0	\$124.5	\$110.0	\$99.1	\$86.7	\$76.5	\$69.3	\$63.9	\$58.1	\$51.6	\$46.9
Public Expenditures	104.2	90.1	79.4	70.1	62.9	56.2	47.1	39.3	35.4	31.7	27.8
Federal Expenditures	70.9	60.8	53.7	47.4	42.6	37.1	30.4	25.2	22.9	20.3	17.7
State/Local Expenditures	33.3	29.3	25.7	22.7	20.3	19.1	16.6	14.1	12.5	11.3	10.1
<i>Per Capita</i> Expenditures	\$1,067.06	\$936.92	\$835.57	\$754.81	\$674.14	\$603.57	\$534.63	\$478.34	\$437.77	\$394.23	\$357.90
Sources of Funds:											
Private Expenditures	617.10	543.61	485.29	442.14	390.63	348.08	318.18	296.19	271.89	244.36	224.68
Public Expenditures	449.96	393.31	350.27	312.67	283.51	255.49	216.44	182.15	165.88	149.87	133.22
Federal Expenditures	306.14	265.41	236.84	211.39	191.73	168.61	139.86	116.75	107.13	96.18	84.69
State/Local Expenditures	143.83	127.70	113.44	101.28	91.78	86.88	76.58	65.40	58.75	53.68	48.54
Percentage Distribution of Funds	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Private Funds	57.8	58.0	58.1	58.6	57.9	57.7	59.5	61.9	62.1	62.0	62.8
Public Funds	42.2	42.0	41.9	41.4	42.1	42.3	40.5	38.1	37.9	38.0	37.2
Federal Funds	28.7	28.4	28.3	28.0	28.5	27.9	26.2	24.5	24.5	24.4	23.7
State/Local Funds	13.5	13.7	13.6	13.4	13.6	14.4	14.3	13.7	13.4	13.6	13.6
Addenda:											
Gross National Product (billions)	\$2,626.1	\$2,413.9	\$2,156.1	\$1,918.0	\$1,718.0	\$1,549.2	\$1,434.2	\$1,326.4	\$1,185.9	\$1,077.6	\$992.7
Population (millions) ¹	231.7	229.1	226.6	224.2	222.0	219.9	217.7	215.7	213.6	211.3	208.6
Annualized Percentage Changes											
National Health Expenditures	15.2	13.4	11.9	13.1	12.8	14.0	12.8	10.3	12.3	11.5	13.6
Private Expenditures	14.8	13.2	10.9	14.3	13.3	10.5	8.4	10.0	12.5	10.1	14.8
Public Expenditures	15.7	13.6	13.2	11.4	12.0	19.2	19.9	10.9	11.9	13.9	11.6
Federal Expenditures	16.7	13.3	13.2	11.4	14.8	21.8	20.9	10.0	12.6	15.0	9.8
State/Local Expenditures	13.7	14.0	13.2	11.5	6.6	14.6	18.2	12.4	10.6	12.0	14.7
Gross National Product	8.8	12.0	12.4	11.6	10.9	8.0	8.1	11.8	10.1	8.6	5.2
Population	1.1	1.1	1.1	1.0	1.0	1.0	.9	1.0	1.1	1.3	1.1

See footnote at end of table.

(continued)

TABLE 1
National Health Expenditures: Aggregate and *per Capita* Amounts by Major Sources of Funds and as a Percentage of the Gross National Product
Selected Calendar Years, 1929-80 (Continued)

	1969	1968	1967	1966	1965	1960	1955	1950	1940	1929
National Health Expenditures (billions)	\$65.7	\$58.2	\$51.3	\$46.1	\$41.7	\$26.9	\$17.7	\$12.7	\$4.0	\$3.6
As a Percentage of the GNP	7.0%	6.7%	6.4%	6.1%	6.0%	5.3%	4.4%	4.4%	4.0%	3.5%
Sources of Funds:										
Private Expenditures	\$40.8	\$36.1	\$32.4	\$32.5	\$30.9	\$20.3	\$13.2	\$9.2	\$3.2	\$3.2
Public Expenditures	24.9	22.1	19.0	13.6	10.8	6.6	4.6	3.4	.8	.5
Federal Expenditures	16.1	14.1	11.9	7.4	5.5	3.0	2.0	1.6	—	—
State/Local Expenditures	8.8	8.0	7.0	6.1	5.2	3.6	2.6	1.8	—	—
Per Capita Expenditures	\$318.50	\$284.97	\$253.73	\$230.29	\$210.89	\$146.30	105.38	\$81.86	\$29.62	\$29.49
Sources of Funds:										
Private Expenditures	197.78	176.82	159.98	162.47	156.32	110.20	78.33	59.62	23.61	25.49
Public Expenditures	120.72	108.15	93.75	67.82	54.57	36.10	27.06	22.24	6.03	4.00
Federal Expenditures	77.95	69.05	58.90	37.19	27.97	16.42	11.90	10.49	—	—
State/Local Expenditures	42.77	39.10	34.84	30.63	26.60	19.69	15.15	11.75	—	—
Percentage Distribution of Funds	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Private Funds	62.1	62.0	63.1	70.6	74.1	75.3	74.3	72.8	79.7	86.4
Public Funds	37.9	38.0	36.9	29.4	25.9	24.7	25.7	27.2	20.3	13.6
Federal Funds	24.5	24.3	23.2	16.1	13.3	11.2	11.3	12.8	—	—
State/Local Funds	13.4	13.7	13.7	13.3	12.6	13.5	14.4	14.4	—	—
Addenda:										
Gross National Product (billions)	\$944.0	\$873.4	\$799.6	\$756.0	\$691.0	\$506.5	\$400.0	\$286.5	\$100.0	\$103.4
Population (millions) ¹	206.4	204.4	202.3	200.1	197.9	183.8	168.4	154.7	134.6	123.7
Annualized Percentage Changes										
National Health Expenditures	12.9	13.4	11.4	10.5	9.2	8.7	7.0	12.2	.8	—
Private Expenditures	13.0	11.6	—	5.1	8.8	9.0	7.4	11.2	.1	—
Public Expenditures	12.7	16.5	39.7	25.7	10.2	7.8	5.8	15.5	4.6	—
Federal Expenditures	14.0	18.4	60.1	34.5	12.9	8.5	4.3	—	—	—
State/Local Expenditures	10.5	13.3	15.0	16.5	7.7	7.2	7.0	—	—	—
Gross National Product	8.1	9.2	5.8	9.4	6.4	4.8	6.9	11.1	—	—
Population	1.0	1.0	1.1	1.1	1.5	1.8	1.7	1.4	.8	—

¹As of July 1; includes the resident U.S. population and that of the outlying territories, plus Federal military and civilian employees and their dependents overseas

Source: Health Care Financing Administration

TABLE 2A
National Health Expenditures by Type of Expenditure: Aggregate and per Capita Amounts and Percentage Distribution
by Source of Funds, Calendar Year 1980

Type of Expenditure	Total	Private					Public		
		Total	Consumer			Other ¹	Total	Federal	State and Local
			Total	Direct	Insurance				
Total	\$247.2	\$143.0	\$135.5	\$70.6	\$64.9	\$7.5	\$104.2	\$70.9	\$33.3
Health Services and Supplies	235.6	138.7	135.5	70.6	64.9	3.2	96.9	65.7	31.3
Personal Health Care	217.9	131.5	128.7	70.6	58.1	2.9	86.4	62.5	23.9
Hospital Care	99.6	45.3	44.1	9.1	35.0	1.2	54.2	41.3	12.9
Physicians' Services	46.6	34.3	34.3	17.4	16.9	*	12.3	9.4	2.9
Dentists' Services	15.9	15.3	15.3	12.0	3.3	—	.6	.3	.3
Other Professional Services	5.4	3.9	3.9	3.2	.7	.1	1.5	1.0	.4
Drugs and Medical Sundries	19.2	17.7	17.7	15.9	1.8	—	1.6	.8	.8
Eyeglasses and Appliances	5.1	4.6	4.6	4.4	.2	—	.5	.4	.1
Nursing Home Care	20.7	9.0	8.8	8.7	.1	.1	11.8	6.4	5.3
Other Health Services	5.4	1.4	—	—	—	1.4	4.0	2.8	1.2
Prepayment and Administration	10.4	7.2	6.8	—	6.8	.4	3.2	2.0	1.3
Government Public Health Activities	7.3	—	—	—	—	—	7.3	1.2	6.1
Research and Construction of Medical Facilities	11.6	4.3	—	—	—	4.3	7.3	5.3	2.0
Research ³	5.4	.3	—	—	—	.3	5.1	4.7	.5
Construction	6.1	4.0	—	—	—	4.0	2.2	.6	1.6
Per Capita Amount ²									
Total	\$1,067.06	\$617.10	\$584.71	\$304.65	\$280.06	\$32.38	\$449.96	\$306.14	\$143.84
Health Services and Supplies	1,017.10	598.64	584.71	304.65	280.06	13.93	418.46	283.41	135.05
Personal Health Care	940.62	567.67	555.30	304.65	250.65	12.36	372.96	269.91	103.05
Hospital Care	429.80	195.70	190.37	39.12	151.24	5.33	234.10	178.32	55.79
Physicians' Services	201.18	148.16	148.04	75.04	73.00	.12	53.03	40.64	12.38
Dentists' Services	68.42	65.88	65.88	51.61	14.27	—	2.54	1.45	1.09
Other Professional Services	23.30	17.04	16.79	13.84	2.95	.25	6.26	4.50	1.76
Drugs and Medical Sundries	83.00	76.28	76.28	68.63	7.65	—	6.72	3.36	3.36
Eyeglasses and Appliances	22.10	19.78	19.78	18.88	.89	—	2.32	1.94	.38
Nursing Home Care	89.46	38.71	38.17	37.53	.64	.54	50.75	27.70	23.06
Other Health Services	23.34	6.12	—	—	—	6.12	17.22	12.00	5.23
Prepayment and Administration	44.93	30.97	29.41	—	29.41	1.56	13.96	8.43	5.53
Government Public Health Activities	31.55	—	—	—	—	—	31.55	5.07	26.48
Research and Construction of Medical Facilities	49.96	18.46	—	—	—	18.46	31.50	22.73	8.77
Research ³	23.50	1.39	—	—	—	1.39	22.11	20.09	2.02
Construction	26.46	17.07	—	—	—	17.07	9.39	2.64	6.75

(continued)

TABLE 2A
National Health Expenditures by Type of Expenditure: Aggregate and *per Capita* Amounts and Percentage Distribution
by Source of Funds, Calendar Year 1980 (Continued)

Type of Expenditure	Total	Private					Public		
		Total	Consumer			Other ¹	Total	Federal	State and Local
			Total	Direct	Insurance				
Percentage Distribution									
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Health Services and Supplies	95.3	97.0	100.0	100.0	100.0	43.0	93.0	92.6	93.9
Personal Health Care	88.2	92.0	95.0	100.0	89.5	38.2	82.9	88.2	71.6
Hospital Care	40.3	31.7	32.6	12.8	54.0	16.5	52.0	58.2	38.8
Physicians' Services	18.9	24.0	25.3	24.6	26.1	.4	11.8	13.3	8.6
Dentists' Services	6.4	10.7	11.3	16.9	5.1	—	.6	.5	.8
Other Professional Services	2.2	2.8	2.9	4.5	1.1	.8	1.4	1.5	1.2
Drugs and Medical Sundries	7.8	12.4	13.0	22.5	2.7	—	1.5	1.1	2.3
Eyeglasses and Appliances	2.1	3.2	3.4	6.2	.3	—	.5	.6	.3
Nursing Home Care	8.4	6.3	6.5	12.3	.2	1.7	11.3	9.0	16.0
Other Health Services	2.2	1.0	—	—	—	18.9	3.8	3.9	3.6
Prepayment and Administration	4.2	5.0	5.0	—	10.5	4.8	3.1	2.8	3.8
Government Public Health Activities	3.0	—	—	—	—	—	7.0	1.7	18.4
Research and Construction of Medical Facilities	4.7	3.0	—	—	—	57.0	7.0	7.4	6.1
Research ³	2.2	.2	—	—	—	4.3	4.9	6.6	1.4
Construction	2.5	2.8	—	—	—	52.7	2.1	.9	4.7

See footnotes at end of tables.

TABLE 2B
National Health Expenditures by Type of Expenditure: Aggregate and *per Capita* Amounts and Percentage Distribution
by Source of Funds, Calendar Year 1979

Type of Expenditure	Total	Private					Public		
		Total	Consumer			Other ¹	Total	Federal	State and Local
			Total	Direct	Insurance				
Total	\$214.6	\$124.5	\$117.9	\$62.0	55.9	\$6.6	\$90.1	\$60.8	\$29.3
Health Services and Supplies	204.3	120.8	117.9	62.0	55.9	2.9	83.6	56.2	27.4
Personal Health Care	189.1	114.7	112.2	62.0	50.2	2.6	74.4	53.1	21.3
Hospital Care	85.7	39.2	38.1	7.9	30.1	1.1	46.5	34.9	11.6
Physicians' Services	40.7	30.0	30.0	15.3	14.7	*	10.7	8.0	2.6
Dentists' Services	13.5	13.0	13.0	10.1	2.9	—	.5	.3	.2
Other Professional Services	4.7	3.5	3.4	2.9	.6	.1	1.2	.8	.3
Drugs and Medical Sundries	17.2	15.8	15.8	14.2	1.6	—	1.4	.7	.7
Eyeglasses and Appliances	4.6	4.2	4.2	4.0	.2	—	.4	.4	.1
Nursing Home Care	17.8	7.8	7.7	7.6	.1	.1	9.9	5.4	4.5
Other Health Services	5.0	1.3	—	—	—	1.3	3.7	2.6	1.1
Prepayment and Administration	8.9	6.0	5.7	—	5.7	.3	2.9	1.8	1.1
Government Public Health Activities	6.4	—	—	—	—	—	6.4	1.3	5.0
Research and Construction of Medical Facilities	10.3	3.8	—	—	—	3.8	6.5	4.6	1.9
Research ³	4.8	.3	—	—	—	.3	4.5	4.1	.4
Construction	5.4	3.5	—	—	—	3.5 ²	2.0	.5	1.4
Per Capita Amount ²									
Total	\$936.92	\$543.61	\$514.63	\$270.77	\$243.86	\$28.98	\$393.31	\$265.41	\$127.90
Health Services and Supplies	892.08	527.15	514.63	270.77	243.86	12.53	364.93	245.21	119.72
Personal Health Care	825.68	500.96	489.82	270.77	219.05	11.14	324.73	231.78	92.95
Hospital Care	373.98	170.96	166.23	34.69	131.54	4.73	203.02	152.17	50.85
Physicians' Services	177.65	131.08	130.97	66.90	64.07	.11	46.56	35.12	11.45
Dentists' Services	58.95	56.68	56.68	44.02	12.66	—	2.26	1.26	1.00
Other Professional Services	20.47	15.29	15.06	12.48	2.58	.23	5.19	3.68	1.51
Drugs and Medical Sundries	75.03	68.90	68.90	62.11	6.79	—	6.13	3.06	3.06
Eyeglasses and Appliances	20.20	18.24	18.24	17.42	.82	—	1.96	1.61	.35
Nursing Home Care	77.62	34.21	33.73	33.15	.58	.47	43.41	23.68	19.73
Other Health Services	21.78	5.60	—	—	—	5.60	16.18	11.20	4.98
Prepayment and Administration	38.66	26.20	24.81	—	24.81	1.38	12.46	7.72	4.75
Government Public Health Activities	27.74	—	—	—	—	—	27.74	5.72	22.02
Research and Construction of Medical Facilities	44.84	16.46	—	—	—	16.46	28.38	20.20	8.18
Research ³	21.07	1.32	—	—	—	1.32	19.75	17.85	1.90
Construction	23.77	15.14	—	—	—	15.14	8.63	2.35	6.28

(continued)

TABLE 2B
National Health Expenditures by Type of Expenditure: Aggregate and *per Capita* Amounts and Percentage Distribution
by Source of Funds, Calendar Year 1979 (Continued)

Type of Expenditure	Total	Private					Public		
		Total	Consumer			Other ¹	Total	Federal	State and Local
			Total	Direct	Insurance				
Percentage Distribution									
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Health Services and Supplies	95.2	97.0	100.0	100.0	100.0	43.2	92.8	92.4	93.6
Personal Health Care	88.1	92.2	95.2	100.0	89.8	38.4	82.6	87.3	72.7
Hospital Care	39.9	31.4	32.3	12.8	53.9	16.3	51.6	57.3	39.8
Physicians' Services	19.0	24.1	25.5	24.7	26.3	.4	11.8	13.2	8.9
Dentists' Services	6.3	10.4	11.0	16.3	5.2	—	.6	.5	.8
Other Professional Services	2.2	2.8	2.9	4.6	1.1	.8	1.3	1.4	1.2
Drugs and Medical Sundries	8.0	12.7	13.4	22.9	2.8	—	1.6	1.2	2.4
Eyeglasses and Appliances	2.2	3.4	3.5	6.4	.3	—	.5	.6	.3
Nursing Home Care	8.3	6.3	6.6	12.2	.2	1.6	11.0	8.9	15.4
Other Health Services	2.3	1.0	—	—	—	19.3	4.1	4.2	3.9
Prepayment and Administration	4.1	4.8	4.8	—	10.2	4.8	3.2	2.9	3.7
Government Public Health Activities	3.0	—	—	—	—	—	7.1	2.2	17.2
Research and Construction of Medical									
Facilities	4.8	3.0	—	—	—	56.8	7.2	7.6	6.4
Research ³	2.2	.2	—	—	—	4.5	5.0	6.7	1.5
Construction	2.5	2.8	—	—	—	52.2	2.2	.9	4.9

See footnotes at end of tables.

TABLE 2C
National Health Expenditures by Type of Expenditure: Aggregate and per Capita Amounts and Percentage Distribution
by Source of Funds, Calendar Year 1978

Type of Expenditure	Total	Private					Public		
		Total	Consumer			Other ¹	Total	Federal	State and Local
			Total	Direct	Insurance				
Amount (Billions)									
Total	\$189.3	\$110.0	\$103.9	\$54.2	\$49.7	\$6.1	\$79.4	\$53.7	\$25.7
Health Services and Supplies	179.5	106.4	103.9	54.2	49.7	2.5	73.1	49.3	23.8
Personal Health Care	166.7	101.5	99.2	54.2	45.0	2.2	65.2	46.4	18.8
Hospital Care	75.7	34.6	33.7	6.6	27.1	.9	41.1	30.6	10.5
Physicians' Services	35.8	26.6	26.6	13.1	13.5	*	9.2	6.9	2.3
Dentists' Services	11.8	11.3	11.3	9.0	2.3	—	.5	.3	.2
Other Professional Services	4.1	3.1	3.1	2.5	.6	*	1.0	.7	.3
Drugs and Medical Sundries	15.4	14.1	14.1	12.8	1.3	—	1.3	.7	.6
Eyeglasses and Appliances	4.1	3.8	3.8	3.6	.2	—	.4	.3	.1
Nursing Home Care	15.2	6.8	6.7	6.6	.1	.1	8.4	4.7	3.8
Other Health Services	4.5	1.2	—	—	—	1.2	3.3	2.3	1.0
Prepayment and Administration	7.5	4.9	4.6	—	4.6	.3	2.6	1.7	.9
Government Public Health Activities	5.3	—	—	—	—	—	5.3	1.2	4.1
Research and Construction of Medical Facilities	9.8	3.6	—	—	—	3.6	6.2	4.3	1.9
Research ³	4.4	.3	—	—	—	.3	4.2	3.8	.4
Construction	5.3	3.3	—	—	—	3.3	2.1	.6	1.5
Dollar Amount <i>per Capita</i> ²									
Total	\$835.57	\$485.29	\$458.51	\$239.20	\$219.31	\$26.78	\$350.27	\$236.84	\$113.44
Health Services and Supplies	792.38	469.55	458.51	239.20	219.31	11.04	322.83	217.75	105.08
Personal Health Care	735.57	447.86	437.99	239.20	198.80	9.87	287.71	204.79	82.91
Hospital Care	334.09	152.85	148.87	29.13	119.74	3.97	181.25	135.09	46.16
Physicians' Services	158.03	117.38	117.29	57.79	59.50	.09	40.65	30.32	10.32
Dentists' Services	51.98	49.80	49.80	39.62	10.18	—	2.19	1.25	.93
Other Professional Services	18.18	13.77	13.57	11.13	2.44	.20	4.40	3.12	1.28
Drugs and Medical Sundries	68.03	62.33	62.33	56.60	5.73	—	5.69	2.90	2.79
Eyeglasses and Appliances	18.24	16.60	16.60	15.87	.73	—	1.64	1.33	.31
Nursing Home Care	67.12	29.95	29.54	29.06	.48	.42	37.17	20.62	16.55
Other Health Services	19.90	5.19	—	—	—	5.19	14.72	10.16	4.56
Prepayment and Administration	33.30	21.69	20.51	—	20.51	1.17	11.61	7.53	4.08
Government Public Health Activities	23.51	—	—	—	—	—	23.51	5.43	18.08
Research and Construction of Medical Facilities	43.19	15.74	—	—	—	15.74	27.45	19.08	8.36
Research ³	19.61	1.24	—	—	—	1.24	18.37	16.60	1.77
Construction	23.58	14.50	—	—	—	14.50	9.08	2.48	6.59

(continued)

TABLE 2C
National Health Expenditures by Type of Expenditure: Aggregate and *per Capita* Amounts and Percentage Distribution
by Source of Funds, Calendar Year 1978 (Continued)

Type of Expenditure	Total	Private					Public		
		Total	Consumer			Other ¹	Total	Federal	State and Local
			Total	Direct	Insurance				
Percentage Distribution									
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Health Services and Supplies	94.8	96.8	100.0	100.0	100.0	41.2	92.2	91.9	92.6
Personal Health Care	88.0	92.3	95.5	100.0	90.6	36.8	82.1	86.5	73.1
Hospital Care	40.0	31.5	32.5	12.2	54.6	14.8	51.7	57.0	40.7
Physicians' Services	18.9	24.2	25.6	24.2	27.1	.3	11.6	12.8	9.1
Dentists' Services	6.2	10.3	10.9	16.6	4.6	—	.6	.5	.8
Other Professional Services	2.2	2.8	3.0	4.7	1.1	.8	1.3	1.3	1.1
Drugs and Medical Sundries	8.1	12.8	13.6	23.7	2.6	—	1.6	1.2	2.5
Eyeglasses and Appliances	2.2	3.4	3.6	6.6	.3	—	.5	.6	.3
Nursing Home Care	8.0	6.2	6.4	12.1	.2	1.6	10.6	8.7	14.6
Other Health Services	2.4	1.1	—	—	—	19.4	4.2	4.3	4.0
Prepayment and Administration	4.0	4.5	4.5	—	9.4	4.4	3.3	3.2	3.6
Government Public Health Activities	2.8	—	—	—	—	—	6.7	2.3	15.9
Research and Construction of Medical									
Facilities	5.2	3.2	—	—	—	58.8	7.8	8.1	7.4
Research ³	2.3	.3	—	—	—	4.6	5.2	7.0	1.6
Construction	2.8	3.0	—	—	—	54.1	2.6	1.0	5.8

See footnotes at end of tables.

TABLE 2D
National Health Expenditures by Type of Expenditure: Aggregate and per Capita Amounts and Percentage Distribution
by Source of Funds, Calendar Year 1975

Type of Expenditure	Total	Private					Public		
		Total	Consumer			Other ¹	Total	Federal	State and Local
			Total	Direct	Insurance				
Amount (Billions)									
Total	\$132.7	\$76.5	\$71.4	\$39.0	\$32.4	\$5.1	\$56.2	\$37.1	\$19.1
Health Services and Supplies	124.3	73.2	71.4	39.0	32.4	1.8	51.1	33.8	17.3
Personal Health Care	116.8	70.6	69.1	39.0	30.1	1.6	46.1	31.4	14.7
Hospital Care	52.1	23.3	22.7	4.3	18.4	.6	28.8	20.3	8.6
Physicians' Services	24.9	18.4	18.4	9.0	9.4	*	6.5	4.6	1.9
Dentists' Services	8.2	7.8	7.8	6.8	1.0	—	.5	.3	.2
Other Professional Services	2.6	2.0	2.0	1.7	.4	*	.6	.4	.2
Drugs and Medical Sundries	11.9	10.9	10.9	10.2	.7	—	1.0	.5	.5
Eyeglasses and Appliances	3.2	2.9	2.9	2.8	.1	—	.2	.2	.1
Nursing Home Care	10.1	4.4	4.3	4.3	.1	.1	5.7	3.2	2.5
Other Health Services	3.7	.9	—	—	—	.9	2.8	2.0	.8
Prepayment and Administration	4.4	2.6	2.4	—	2.4	.2	1.8	1.2	.7
Government Public Health Activities	3.2	—	—	—	—	—	3.2	1.2	1.9
Research and Construction of Medical									
Facilities	8.4	3.3	—	—	—	3.3	5.1	3.3	1.8
Research ³	3.3	.3	—	—	—	.3	3.1	2.8	.3
Construction	5.1	3.1	—	—	—	3.1	2.0	.5	1.5
Per Capita Amount ²									
Total	\$603.57	\$348.08	\$324.78	\$177.27	\$147.52	\$23.30	\$255.49	\$168.61	\$86.88
Health Services and Supplies	565.37	332.91	324.78	177.27	147.52	8.13	232.45	153.77	78.68
Personal Health Care	530.97	321.20	314.03	177.27	136.76	7.18	209.77	142.94	66.84
Hospital Care	236.97	105.86	103.22	19.35	83.86	2.64	131.11	92.18	38.93
Physicians' Services	113.38	83.69	83.63	41.04	42.58	.07	29.69	21.12	8.57
Dentists' Services	37.46	35.34	35.34	30.76	4.58	—	2.12	1.25	.87
Other Professional Services	11.91	9.30	9.17	7.52	1.64	.14	2.61	1.70	.90
Drugs and Medical Sundries	54.30	49.63	49.63	46.25	3.38	—	4.67	2.40	2.27
Eyeglasses and Appliances	14.34	13.31	13.31	12.94	.37	—	1.04	.80	.23
Nursing Home Care	45.86	20.02	19.75	19.40	.35	.28	25.83	14.48	11.35
Other Health Services	16.75	4.06	—	—	—	4.06	12.70	8.99	3.71
Prepayment and Administration	20.04	11.71	10.75	—	10.75	.96	8.33	5.29	3.04
Government Public Health Activities	14.36	—	—	—	—	—	14.36	5.55	8.81
Research and Construction of Medical									
Facilities	38.20	15.17	—	—	—	15.17	23.04	14.83	8.20
Research ³	15.17	1.20	—	—	—	1.20	13.97	12.61	1.36
Construction	23.04	13.97	—	—	—	13.97	9.07	2.23	6.84

(continued)

TABLE 2D
National Health Expenditures by Type of Expenditure: Aggregate and *per Capita* Amounts and Percentage Distribution
by Source of Funds, Calendar Year 1975 (Continued)

Type of Expenditure	Total	Private					Public		
		Total	Consumer			Other ¹	Total	Federal	State and Local
			Total	Direct	Insurance				
Percentage Distribution									
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Health Services and Supplies	93.7	95.6	100.0	100.0	100.0	34.9	91.0	91.2	90.6
Personal Health Care	88.0	92.3	96.7	100.0	92.7	30.8	82.1	84.8	76.9
Hospital Care	39.3	30.4	31.8	10.9	56.9	11.3	51.3	54.7	44.8
Physicians' Services	18.8	24.0	25.7	23.2	28.9	.3	11.6	12.5	9.9
Dentists' Services	6.2	10.2	10.9	17.4	3.1	—	.8	.7	1.0
Other Professional Services	2.0	2.7	2.8	4.2	1.1	.6	1.0	1.0	1.0
Drugs and Medical Sundries	9.0	14.3	15.3	26.1	2.3	—	1.8	1.4	2.6
Eyeglasses and Appliances	2.4	3.8	4.1	7.3	.2	—	.4	.5	.3
Nursing Home Care	7.6	5.8	6.1	10.9	.2	1.2	10.1	8.6	13.1
Other Health Services	2.8	1.2	—	—	—	17.4	5.0	5.3	4.3
Prepayment and Administration	3.3	3.4	3.3	—	7.3	4.1	3.3	3.1	3.5
Government Public Health Activities	2.4	—	—	—	—	—	5.6	3.3	10.1
Research and Construction of Medical									
Facilities	6.3	4.4	—	—	—	65.1	9.0	8.8	9.5
Research ³	2.5	.3	—	—	—	5.2	5.5	7.5	1.6
Construction	3.8	4.0	—	—	—	59.9	3.6	1.3	7.9

See footnotes at end of tables.

TABLE 2E
National Health Expenditures by Type of Expenditure: Aggregate and *per Capita* Amounts and Percentage Distribution
by Source of Funds, Calendar Year 1970

Type of Expenditure	Total	Private					Public		
		Total	Consumer			Other ¹	Total	Federal	State and Local
			Total	Direct	Insurance				
Total	\$74.7	\$46.9	\$43.1	\$26.0	\$17.1	\$3.8	\$27.8	\$17.7	\$10.1
Health Services and Supplies	69.3	44.3	43.1	26.0	17.1	1.2	25.0	15.7	9.2
Personal Health Care	65.1	42.7	41.6	26.0	15.6	1.0	22.5	14.5	7.9
Hospital Care	27.8	13.1	12.7	2.8	9.9	.4	14.7	9.5	5.2
Physicians' Services	14.3	11.3	11.3	6.5	4.9	*	3.0	2.1	.9
Dentists' Services	4.7	4.5	4.5	4.3	.2	—	.2	.1	.1
Other Professional Services	1.6	1.4	1.4	1.1	.3	*	.2	.1	.1
Drugs and Medical Sundries	8.0	7.5	7.5	7.2	.3	—	.5	.2	.2
Eyeglasses and Appliances	1.9	1.8	1.8	1.8	*	—	.1	.1	—
Nursing Home Care	4.7	2.4	2.4	2.4	*	*	2.3	1.3	.9
Other Health Services	2.1	.6	—	—	—	.6	1.5	.9	.5
Prepayment and Administration	2.7	1.6	1.5	—	1.5	.2	1.1	.6	.5
Government Public Health Activities	1.4	—	—	—	—	—	1.4	.6	.8
Research and Construction of Medical									
Facilities	5.4	2.6	—	—	—	2.6	2.8	2.0	.9
Research ³	2.0	.2	—	—	—	.2	1.8	1.6	.2
Construction	3.4	2.3	—	—	—	2.3	1.1	.4	.7
Per Capita Amount ²									
Total	\$357.90	\$224.68	\$206.60	\$124.75	\$81.85	\$18.09	\$133.22	\$84.69	\$48.54
Health Services and Supplies	332.02	212.41	206.60	124.75	81.85	5.81	119.61	75.33	44.28
Personal Health Care	312.29	204.57	199.62	124.75	74.87	4.96	107.72	69.66	38.06
Hospital Care	133.05	62.69	60.88	13.29	47.59	1.81	70.36	45.63	24.73
Physicians' Services	68.74	54.36	54.31	31.00	23.31	.05	14.38	10.25	4.13
Dentists' Services	22.77	21.70	21.70	20.52	1.18	—	1.07	.62	.45
Other Professional Services	7.64	6.59	6.49	5.24	1.25	.10	1.06	.67	.38
Drugs and Medical Sundries	38.33	36.01	36.01	34.54	1.47	—	2.32	1.15	1.18
Eyeglasses and Appliances	9.33	8.81	8.81	8.80	.01	—	.51	.37	.14
Nursing Home Care	22.52	11.58	11.42	11.36	.06	.16	10.94	6.44	4.49
Other Health Services	9.92	2.84	—	—	—	2.84	7.08	4.51	2.56
Prepayment and Administration	12.92	7.84	6.98	—	6.98	.86	5.08	2.72	2.36
Government Public Health Activities	6.81	—	—	—	—	—	6.81	2.95	3.86
Research and Construction of Medical									
Facilities	25.88	12.27	—	—	—	12.27	13.61	9.36	4.26
Research ³	9.44	1.03	—	—	—	1.03	8.41	7.53	.88
Construction	16.45	11.24	—	—	—	11.24	5.21	1.83	3.38

(continued)

TABLE 2E
National Health Expenditures by Type of Expenditure: Aggregate and *per Capita* Amounts and Percentage Distribution
by Source of Funds, Calendar Year 1970 (Continued)

Type of Expenditure	Total	Private					Public		
		Total	Consumer			Other ¹	Total	Federal	State and Local
			Total	Direct	Insurance				
Percentage Distribution									
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Health Services and Supplies	92.8	94.5	100.0	100.0	100.0	32.1	89.8	89.0	91.2
Personal Health Care	87.3	91.1	96.6	100.0	91.5	27.4	80.9	82.3	78.4
Hospital Care	37.2	27.9	29.5	10.7	58.1	10.0	52.8	53.9	50.9
Physicians' Services	19.2	24.2	26.3	24.8	28.5	.3	10.8	12.1	8.5
Dentists' Services	6.4	9.7	10.5	16.4	1.4	—	.8	.7	.9
Other Professional Services	2.1	2.9	3.1	4.2	1.5	.5	.8	.8	.8
Drugs and Medical Sundries	10.7	16.0	17.4	27.7	1.8	—	1.7	1.4	2.4
Eyeglasses and Appliances	2.6	3.9	4.3	7.1	—	—	.4	.4	.3
Nursing Home Care	6.3	5.2	5.5	9.1	.1	.9	8.2	7.6	9.3
Other Health Services	2.8	1.3	—	—	—	15.7	5.3	5.3	5.3
Prepayment and Administration	3.6	3.5	3.4	—	8.5	4.7	3.8	3.2	4.9
Government Public Health Activities	1.9	—	—	—	—	—	5.1	3.5	7.9
Research and Construction of Medical Facilities	7.2	5.5	—	—	—	67.9	10.2	11.0	8.8
Research ³	2.6	.5	—	—	—	5.7	6.3	8.9	1.8
Construction	4.6	5.0	—	—	—	62.2	3.9	2.2	7.0

See footnotes at end of tables.

TABLE 2F
National Health Expenditures by Type of Expenditure: Aggregate and *per Capita* Amounts and Percentage Distribution
by Source of Funds, Calendar Year 1965

Type of Expenditure	Total	Private					Public		
		Total	Consumer			Other ¹	Total	Federal	State and Local
			Total	Direct	Insurance				
Amount (Billions)									
Total	\$41.7	\$30.9	\$28.5	\$18.5	\$10.0	\$2.4	\$10.8	\$5.5	\$5.2
Health Services and Supplies	38.2	29.5	28.5	18.5	10.0	1.0	8.8	4.0	4.8
Personal Health Care	35.8	28.0	27.3	18.5	8.8	.8	7.7	3.6	4.1
Hospital Care	13.9	8.5	8.2	2.4	5.8	.3	5.4	2.4	3.0
Physicians' Services	8.5	7.9	7.9	5.2	2.7	*	.6	.2	.4
Dentists' Services	2.8	2.8	2.8	2.7	*	—	—	—	—
Other Professional Services	1.0	1.0	1.0	.9	.1	*	—	—	—
Drugs and Medical Sundries	5.2	5.0	5.0	4.9	.1	—	.2	.1	.1
Eyeglasses and Appliances	1.2	1.1	1.1	1.1	—	—	—	—	—
Nursing Home Care	2.1	1.4	1.3	1.3	*	*	.7	.5	.3
Other Health Services	1.1	.4	—	—	—	.4	.7	.4	.3
Prepayment and Administration	1.6	1.4	1.2	—	1.2	.2	.2	—	.2
Government Public Health Activities	.8	—	—	—	—	—	.8	.3	.5
Research and Construction of Medical									
Facilities	3.5	1.5	—	—	—	1.5	2.0	1.6	.5
Research ³	1.5	.2	—	—	—	.2	1.3	1.2	.1
Construction	2.0	1.3	—	—	—	1.3	.7	.3	.4
Per Capita Amount ²									
Total	\$210.89	\$156.32	\$144.01	\$93.51	\$50.50	\$12.30	\$54.57	\$27.97	\$26.60
Health Services and Supplies	193.14	148.90	144.01	93.51	50.50	4.88	44.24	20.13	24.11
Personal Health Care	180.73	141.75	137.76	93.51	44.25	3.98	38.98	18.32	20.66
Hospital Care	70.13	42.88	41.32	12.03	29.29	1.56	27.25	12.28	14.97
Physicians' Services	42.82	39.88	39.83	26.27	13.56	.04	2.94	.76	2.18
Dentists' Services	14.19	13.95	13.95	13.74	.21	—	.25	.16	.08
Other Professional Services	5.22	5.03	4.94	4.40	.54	.09	.19	.06	.13
Drugs and Medical Sundries	26.18	25.18	25.18	24.54	.65	—	.99	.61	.39
Eyeglasses and Appliances	5.93	5.78	5.78	5.77	—	—	.15	.06	.08
Nursing Home Care	10.47	6.88	6.77	6.76	.01	.11	3.60	2.32	1.27
Other Health Services	5.79	2.18	—	—	—	2.18	3.61	2.06	1.55
Prepayment and Administration	8.29	7.15	6.25	—	6.25	.90	1.14	.07	1.07
Government Public Health Activities	4.11	—	—	—	—	—	4.11	1.74	2.37
Research and Construction of Medical									
Facilities	17.75	7.42	—	—	—	7.42	10.33	7.84	2.49
Research ³	7.66	.89	—	—	—	.89	6.77	6.29	.48
Construction	10.09	6.53	—	—	—	6.53	3.56	1.55	2.02

(continued)

TABLE 2F
National Health Expenditures by Type of Expenditure: Aggregate and per Capita Amounts and Percentage Distribution
by Source of Funds, Calendar Year 1965 (Continued)

Type of Expenditure	Total	Private					Public		
		Total	Consumer			Other ¹	Total	Federal	State and Local
			Total	Direct	Insurance				
Percentage Distribution									
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Health Services and Supplies	91.6	95.3	100.0	100.0	100.0	39.7	81.1	72.0	90.6
Personal Health Care	85.7	90.7	95.7	100.0	87.6	32.4	71.4	65.5	77.7
Hospital Care	33.3	27.4	28.7	12.9	58.0	12.7	49.9	43.9	56.3
Physicians' Services	20.3	25.5	27.7	28.1	26.8	.3	5.4	2.7	8.2
Dentists' Services	6.7	8.9	9.7	14.7	.4	—	.4	.6	.3
Other Professional Services	2.5	3.2	3.4	4.7	1.1	.7	.4	.2	.5
Drugs and Medical Sundries	12.4	16.1	17.5	26.2	1.3	—	1.8	2.2	1.5
Eyeglasses and Appliances	2.8	3.7	4.0	6.2	—	—	.3	.2	.3
Nursing Home Care	5.0	4.4	4.7	7.2	—	.9	6.6	8.3	4.8
Other Health Services	2.7	1.4	—	—	—	17.7	6.6	7.4	5.8
Prepayment and Administration	3.9	4.6	4.3	—	12.4	7.3	2.1	.3	4.0
Government Public Health Activities	2.0	—	—	—	—	—	7.5	6.2	8.9
Research and Construction of Medical									
Facilities	8.4	4.7	—	—	—	60.3	18.9	28.0	9.4
Research ³	3.6	.6	—	—	—	7.2	12.4	22.5	1.8
Construction	4.8	4.2	—	—	—	53.1	6.5	5.5	7.6

* Less than \$100 million

¹Spending by philanthropic organizations, industrial in-plant health services, and construction financed privately

²Based on July 1 population estimates, which include the resident U.S. population and that of the outlying territories, plus Federal military and civilian employees and their dependents overseas

³Research and development expenditures of drug companies and other manufacturers and providers of medical equipment and supplies are excluded from "Research Expenditures" but are included in the expenditure class in which the product falls.

Source: Health Care Financing Administration

TABLE 3
National Health Expenditures: Aggregate and *per Capita* Amount and Percentage Distribution for Selected Calendar Years 1929-1980

	1980	1979	1978	1977	1976	1975	1974	1973	1972	1971	1970
Amount (Billions)											
Total	\$247.2	\$214.6	\$189.3	\$169.2	\$149.7	\$132.7	\$116.4	\$103.2	\$93.5	\$83.3	\$74.7
Health Services and Supplies	235.6	204.3	179.5	160.1	140.6	124.3	108.9	96.3	86.9	77.2	69.3
Personal Health Care	217.9	189.1	166.7	148.7	131.8	116.8	101.0	88.7	80.2	72.0	65.1
Hospital Care	99.6	85.7	75.7	67.8	59.9	52.1	44.8	38.7	34.9	30.8	27.8
Physicians' Services	46.6	40.7	35.8	31.9	27.6	24.9	21.2	19.1	17.2	15.9	14.3
Dentists' Services	15.9	13.5	11.8	10.5	9.4	8.2	7.4	6.5	5.6	5.1	4.7
Other Professional Services	5.4	4.7	4.1	3.6	3.2	2.6	2.2	2.0	1.8	1.6	1.6
Drugs and Medical Sundries	19.2	17.2	15.4	14.1	13.0	11.9	11.0	10.1	9.3	8.6	8.0
Eyeglasses and Appliances	5.1	4.6	4.1	3.7	3.4	3.2	2.8	2.5	2.3	2.0	1.9
Nursing Home Care	20.7	17.8	15.2	13.2	11.4	10.1	8.5	7.1	6.5	5.6	4.7
Other Health Services	5.4	5.0	4.5	4.1	3.8	3.7	3.1	2.7	2.6	2.3	2.1
Prepayment and Administration	10.4	8.9	7.5	7.1	5.0	4.4	5.2	5.4	4.7	3.4	2.7
Government Public Health Activities	7.3	6.4	5.3	4.3	3.8	3.2	2.7	2.2	2.0	1.8	1.4
Research and Construction of Medical											
Facilities	11.6	10.3	9.8	9.2	9.0	8.4	7.5	6.8	6.6	6.1	5.4
Research	5.4	4.8	4.4	3.9	3.7	3.3	2.8	2.5	2.4	2.1	2.0
Construction	6.1	5.4	5.3	5.3	5.3	5.1	4.7	4.3	4.2	4.0	3.4
Dollar Amount <i>per Capita</i> ¹											
Total	\$1,067.06	\$936.92	\$835.57	\$754.81	\$674.14	\$603.57	\$534.63	\$478.34	\$437.77	\$394.23	\$357.90
Health Services and Supplies	1,017.10	892.08	792.38	713.92	633.47	565.37	500.32	446.63	406.89	365.25	332.02
Personal Health Care	940.62	825.68	735.57	663.16	593.67	530.97	463.84	411.20	375.53	340.64	312.29
Hospital Care	429.80	373.98	334.09	302.20	269.77	236.97	205.71	179.36	163.59	145.87	133.05
Physicians' Services	201.18	177.65	158.03	142.05	124.17	113.38	97.60	88.45	80.36	75.35	68.74
Dentists' Services	68.42	58.95	51.98	46.98	42.56	37.46	33.84	30.28	26.34	23.99	22.77
Other Professional Services	23.30	20.47	18.18	15.90	14.42	11.91	10.24	9.15	8.44	7.70	7.64
Drugs and Medical Sundries	83.00	75.03	68.03	62.73	58.66	54.30	50.53	46.63	43.71	40.61	38.33
Eyeglasses and Appliances	22.10	20.20	18.24	16.31	15.37	14.34	12.77	11.70	10.59	9.40	9.33
Nursing Home Care	89.46	77.62	67.12	58.90	51.43	45.86	39.14	33.11	30.23	26.67	22.52
Other Health Services	23.34	21.78	19.90	18.08	17.28	16.75	14.02	12.52	12.27	11.04	9.92
Prepayment and Administration	44.93	38.66	33.30	31.49	22.62	20.04	23.93	25.08	21.97	16.27	12.92
Government Public Health Activities	31.55	27.74	23.51	19.27	17.17	14.36	12.55	10.36	9.39	8.35	6.81
Research and Construction of Medical											
Facilities	49.96	44.84	43.19	40.90	40.68	38.20	34.31	31.71	30.87	28.98	25.88
Research	23.50	21.07	19.61	17.48	16.67	15.17	12.82	11.70	11.02	10.02	9.44
Construction	26.46	23.77	23.58	23.42	24.01	23.04	21.49	20.01	19.86	18.96	16.45

(continued)

TABLE 3
National Health Expenditures: Aggregate and *per Capita* Amount and Percentage Distribution for Selected Calendar Years 1929-1980 (Continued)

	<u>1980</u>	<u>1979</u>	<u>1978</u>	<u>1977</u>	<u>1976</u>	<u>1975</u>	<u>1974</u>	<u>1973</u>	<u>1972</u>	<u>1971</u>	<u>1970</u>
	Percentage Distribution										
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Health Services and Supplies	95.3	95.2	94.8	94.6	94.0	93.7	93.6	93.4	92.9	92.6	92.8
Personal Health Care	88.2	88.1	88.0	87.9	88.1	88.0	86.8	86.0	85.8	86.4	87.3
Hospital Care	40.3	39.9	40.0	40.0	40.0	39.3	38.5	37.5	37.4	37.0	37.2
Physicians' Services	18.9	19.0	18.9	18.8	18.4	18.8	18.3	18.5	18.4	19.1	19.2
Dentists' Services	6.4	6.3	6.2	6.2	6.3	6.2	6.3	6.3	6.0	6.1	6.4
Other Professional Services	2.2	2.2	2.2	2.1	2.1	2.0	1.9	1.9	1.9	2.0	2.1
Drugs and Medical Sundries	7.8	8.0	8.1	8.3	8.7	9.0	9.5	9.7	10.0	10.3	10.7
Eyeglasses and Appliances	2.1	2.2	2.2	2.2	2.3	2.4	2.4	2.4	2.4	2.4	2.6
Nursing Home Care	8.4	8.3	8.0	7.8	7.6	7.6	7.3	6.9	6.9	6.8	6.3
Other Health Services	2.2	2.3	2.4	2.4	2.6	2.8	2.6	2.6	2.8	2.8	2.8
Prepayment and Administration	4.2	4.1	4.0	4.2	3.4	3.3	4.5	5.2	5.0	4.1	3.6
Government Public Health Activities	3.0	3.0	2.8	2.6	2.5	2.4	2.3	2.2	2.1	2.1	1.9
Research and Construction of Medical Facilities	4.7	4.8	5.2	5.4	6.0	6.3	6.4	6.6	7.1	7.4	7.2
Research	2.2	2.2	2.3	2.3	2.5	2.5	2.4	2.4	2.5	2.5	2.6
Construction	2.5	2.5	2.8	3.1	3.6	3.8	4.0	4.2	4.5	4.8	4.6

(continued)

TABLE 3
National Health Expenditures: Aggregate and *per Capita* Amount and Percentage Distribution for Selected Calendar Years 1929-1980 (Continued)

	<u>1969</u>	<u>1968</u>	<u>1967</u>	<u>1966</u>	<u>1965</u>	<u>1960</u>	<u>1955</u>	<u>1950</u>	<u>1940</u>	<u>1929</u>
Amount (Billions)										
Total	\$65.7	\$58.2	\$51.3	\$46.1	\$41.7	\$26.9	\$17.7	\$12.7	\$4.0	\$3.6
Health Services and Supplies	60.9	54.1	47.5	42.4	38.2	25.2	16.9	11.7	3.9	3.4
Personal Health Care	56.9	50.2	44.4	39.6	35.8	23.7	15.7	10.9	3.5	3.2
Hospital Care	24.1	21.0	18.3	15.7	13.9	9.1	5.9	3.9	1.0	.7
Physicians' Services	12.6	11.1	10.1	9.2	8.5	5.7	3.7	2.7	1.0	1.0
Dentists' Services	4.2	3.7	3.4	3.0	2.8	2.0	1.5	1.0	.4	.5
Other Professional Services	1.5	1.4	1.3	1.2	1.0	.9	.6	.4	.2	.3
Drugs and Medical Sundries	7.1	6.4	5.8	5.5	5.2	3.7	2.4	1.7	.6	.6
Eyeglasses and Appliances	1.7	1.5	1.3	1.3	1.2	.8	.6	.5	.2	.1
Nursing Home Care	3.8	3.4	2.8	2.4	2.1	.5	.3	.2	.0	.0
Other Health Services	1.9	1.7	1.6	1.5	1.1	1.1	.7	.5	.1	.1
Prepayment and Administration	2.8	2.9	2.2	2.0	1.6	1.1	.8	.5	.2	.1
Government Public Health Activities	1.2	1.0	.9	.8	.8	.4	.4	.4	.2	.1
Research and Construction of Medical Facilities	4.8	4.1	3.8	3.7	3.5	1.7	.9	1.0	.1	.2
Research	1.9	1.9	1.8	1.6	1.5	.7	.2	.1	.0	.0
Construction	2.9	2.2	2.1	2.1	2.0	1.0	.7	.8	.1	.2
Dollar Amount <i>per Capita</i> ¹										
Total	\$318.50	\$284.97	\$253.73	\$230.29	\$210.89	\$146.30	\$105.38	\$81.86	\$29.62	\$29.49
Health Services and Supplies	295.06	264.78	234.78	211.86	193.14	137.00	100.27	75.66	28.74	27.77
Personal Health Care	275.64	245.50	219.29	197.61	180.73	128.81	93.29	70.37	26.36	25.88
Hospital Care	116.55	102.76	90.23	78.26	70.13	49.46	35.04	24.90	7.51	5.36
Physicians' Services	61.29	54.34	50.12	45.84	42.82	30.92	21.91	17.76	7.23	8.11
Dentists' Services	20.34	17.97	16.61	14.81	14.19	10.75	8.96	6.21	3.11	3.90
Other Professional Services	7.13	6.97	6.22	5.79	5.22	4.69	3.34	2.56	1.29	2.04
Drugs and Medical Sundries	34.62	31.42	28.49	27.29	26.18	19.89	14.16	11.16	4.73	4.90
Eyeglasses and Appliances	8.27	7.26	6.24	6.57	5.93	4.22	3.59	3.17	1.40	1.07
Nursing Home Care	18.44	16.54	13.72	11.77	10.47	2.86	1.85	1.21	.25	.00
Other Health Services	9.02	8.26	7.66	7.28	5.79	5.92	4.45	3.40	.83	.50
Prepayment and Administration	13.46	14.17	11.11	10.12	8.29	6.03	4.75	2.95	1.24	1.12
Government Public Health Activities	5.96	5.11	4.39	4.12	4.11	2.25	2.24	2.33	1.14	.78
Research and Construction of Medical Facilities	23.44	20.19	18.95	18.42	17.75	9.30	5.11	6.21	.88	1.72
Research	9.31	9.18	8.73	8.14	7.66	3.60	1.25	.76	.02	.00
Construction	14.13	11.01	10.22	10.28	10.09	5.70	3.87	5.45	.86	1.72

(continued)

TABLE 3
National Health Expenditures: Aggregate and *per Capita* Amount and Percentage Distribution for Selected Calendar Years 1929-1980 (Continued)

	<u>1969</u>	<u>1968</u>	<u>1967</u>	<u>1966</u>	<u>1965</u>	<u>1960</u>	<u>1955</u>	<u>1950</u>	<u>1940</u>	<u>1929</u>
	Percentage Distribution									
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Health Services and Supplies	92.6	92.9	92.5	92.0	91.6	93.6	95.1	92.4	97.0	94.2
Personal Health Care	86.5	86.2	86.4	85.8	85.7	88.0	88.5	86.0	89.0	87.8
Hospital Care	36.6	36.1	35.6	34.0	33.3	33.8	33.2	30.4	25.4	18.2
Physicians' Services	19.2	19.1	19.8	19.9	20.3	21.1	20.8	21.7	24.4	27.5
Dentists' Services	6.4	6.3	6.5	6.4	6.7	7.4	8.5	7.6	10.5	13.2
Other Professional Services	2.2	2.4	2.5	2.5	2.5	3.2	3.2	3.1	4.4	6.9
Drugs and Medical Sundries	10.9	11.0	11.2	11.9	12.4	13.6	13.4	13.6	16.0	16.6
Eyeglasses and Appliances	2.6	2.5	2.5	2.9	2.8	2.9	3.4	3.9	4.7	3.6
Nursing Home Care	5.8	5.8	5.4	5.1	5.0	2.0	1.8	1.5	.8	.0
Other Health Services	2.8	2.9	3.0	3.2	2.7	4.0	4.2	4.2	2.8	1.7
Prepayment and Administration	4.2	5.0	4.4	4.4	3.9	4.1	4.5	3.6	4.2	3.8
Government Public Health Activities	1.9	1.8	1.7	1.8	2.0	1.5	2.1	2.9	3.8	2.6
Research and Construction of Medical Facilities	7.4	7.1	7.5	8.0	8.4	6.4	4.9	7.6	3.0	5.8
Research	2.9	3.2	3.4	3.5	3.6	2.5	1.2	.9	.1	.0
Construction	4.4	3.9	4.0	4.5	4.8	3.9	3.7	6.7	2.9	5.8

¹Based on July 1 population estimates, which include the resident U.S. population and that of the outlying territories, plus Federal military and civilian employees and their dependents overseas

TABLE 4
Aggregate and *per Capita* Amount and Percentage Distribution of Personal Health Care Expenditures¹
by Source of Funds: Selected Calendar Years, 1929-1980

	<u>Total</u>	<u>Direct Consumer Payments</u>	<u>All Third-Parties</u>					
			<u>Total</u>	<u>Private</u>		<u>Public</u>		
				<u>Insurance</u>	<u>Other</u>	<u>Total</u>	<u>Federal</u>	<u>State and Local</u>
			Amount (Billions)					
1929	\$3.2	\$2.8 ²	\$.4	(2)	\$.1	\$.3	\$.1	\$.2
1935	2.7	2.2 ²	.5	(2)	.1	.4	.1	.3
1940	3.5	2.9 ²	.7	(2)	.1	.6	.1	.4
1950	10.9	7.1	3.8	1.0	.3	2.4	1.1	1.3
1955	15.7	9.1	6.6	2.5	.4	3.6	1.6	2.0
1960	23.7	13.0	10.7	5.0	.5	5.2	2.2	3.0
1965	35.8	18.5	17.3	8.8	.8	7.7	3.6	4.1
1966	39.6	19.5	20.1	9.1	.8	10.1	5.3	4.9
1967	44.4	18.9	25.5	9.6	.8	15.1	9.5	5.6
1968	50.2	20.6	29.6	10.9	.9	17.7	11.4	6.4
1969	56.9	23.0	33.9	12.9	.9	20.1	13.2	7.0
1970	65.1	26.0	39.1	15.6	1.0	22.5	14.5	7.9
1971	72.0	27.8	44.2	17.3	1.2	25.6	16.8	8.8
1972	80.2	31.0	49.2	19.1	1.3	28.8	18.9	9.9
1973	88.7	34.2	54.5	21.1	1.3	32.0	21.1	11.0
1974	101.0	36.4	64.6	24.5	1.5	38.6	25.8	12.8
1975	116.8	39.0	77.8	30.1	1.6	46.1	31.4	14.7
1976	131.8	43.0	88.8	35.5	1.8	51.5	36.1	15.4
1977	148.7	48.7	100.0	40.0	2.1	57.9	41.0	16.9
1978	166.7	54.2	112.5	45.0	2.2	65.2	46.4	18.8
1979	189.1	62.0	127.1	50.2	2.6	74.4	53.1	21.3
1980	217.9	70.6	147.3	58.1	2.9	86.4	62.5	23.9

(continued)

TABLE 4
Aggregate and *per Capita* Amount and Percentage Distribution of Personal Health Care Expenditures¹
by Source of Funds: Selected Calendar Years, 1929-1980 (Continued)

	<u>Total</u>	<u>Direct Consumer Payments</u>	<u>All Third-Parties</u>				
			<u>Private</u>		<u>Public</u>		
			<u>Total</u>	<u>Insurance</u>	<u>Other</u>	<u>Total</u>	<u>Federal</u> <u>State and Local</u>
			Dollar Amount <i>per Capita</i> ³				
1929	\$25.88	\$22.86 ²	\$3.01	(2)	\$.68	\$2.34	\$.70 \$1.63
1935	20.55	16.94 ²	3.61	(2)	.57	3.02	.70 2.32
1940	26.36	21.44 ²	4.92	(2)	.70	4.24	1.08 3.16
1950	70.37	46.12	24.26	6.42	2.07	15.78	7.34 8.43
1955	93.29	54.23	39.05	15.06	2.57	21.43	9.78 11.65
1960	128.81	70.66	58.15	27.18	2.92	28.05	11.96 16.09
1965	180.73	93.51	87.22	44.25	3.98	38.98	18.32 20.66
1966	197.61	97.25	100.37	45.62	4.05	50.69	26.25 24.44
1967	219.29	93.25	126.04	47.43	4.03	74.58	46.87 27.71
1968	245.50	100.75	144.75	53.53	4.38	86.84	55.63 31.21
1969	275.64	111.33	164.32	62.34	4.38	97.59	63.77 33.82
1970	312.29	124.75	187.55	74.87	4.96	107.72	69.66 38.06
1971	340.64	131.62	209.02	82.00	5.88	121.14	79.37 41.78
1972	375.53	145.12	230.42	89.37	5.99	135.06	88.66 46.40
1973	411.20	158.63	252.57	97.79	6.20	148.58	97.72 50.86
1974	463.84	167.30	296.54	112.39	7.00	177.15	118.31 58.84
1975	530.97	177.27	353.71	136.76	7.18	209.77	142.94 66.84
1976	593.67	193.73	399.94	159.78	8.08	232.07	162.84 69.23
1977	663.16	217.23	445.93	178.45	9.28	258.20	182.71 75.49
1978	735.57	239.20	496.37	198.80	9.87	287.71	204.79 82.91
1979	825.68	270.77	554.92	219.05	11.14	324.73	231.78 92.95
1980	940.62	304.65	635.97	250.65	12.36	372.96	269.91 103.05

(continued)

TABLE 4
Aggregate and per Capita Amount and Percentage Distribution of Personal Health Care Expenditures¹
by Source of Funds: Selected Calendar Years, 1929-1980 (Continued)

		All Third-Parties						
		Direct Consumer Payments	Private			Public		
<u>Total</u>			<u>Total</u>	<u>Insurance</u>	<u>Other</u>	<u>Total</u>	<u>Federal</u>	<u>State and Local</u>
Percentage Distribution								
1929	100.0%	88.4% ²	11.6%	(2)	2.6%	9.0%	2.7%	6.3%
1935	100.0	82.4 ²	17.6	(2)	2.8	14.7	3.4	11.3
1940	100.0	81.3 ²	18.7	(2)	2.6	16.1	4.1	12.0
1950	100.0	65.5	34.5	9.1	2.9	22.4	10.4	12.0
1955	100.0	58.1	41.9	16.1	2.8	23.0	10.5	12.5
1960	100.0	54.9	45.1	21.1	2.3	21.8	9.3	12.5
1965	100.0	51.7	48.3	24.5	2.2	21.6	10.1	11.4
1966	100.0	49.2	50.8	23.1	2.1	25.7	13.3	12.4
1967	100.0	42.5	57.5	21.6	1.8	34.0	21.4	12.6
1968	100.0	41.0	59.0	21.8	1.8	35.4	22.7	12.7
1969	100.0	40.4	59.6	22.6	1.6	35.4	23.1	12.3
1970	100.0	39.9	60.1	24.0	1.6	34.5	22.3	12.2
1971	100.0	38.6	61.4	24.1	1.7	35.6	23.3	12.3
1972	100.0	38.6	61.4	23.8	1.6	36.0	23.6	12.4
1973	100.0	38.6	61.4	23.8	1.5	36.1	23.8	12.4
1974	100.0	36.1	63.9	24.2	1.5	38.2	25.5	12.7
1975	100.0	33.4	66.6	25.8	1.4	39.5	26.9	12.6
1976	100.0	32.6	67.4	26.9	1.4	39.1	27.4	11.7
1977	100.0	32.8	67.2	26.9	1.4	38.9	27.6	11.4
1978	100.0	32.5	67.5	27.0	1.3	39.1	27.8	11.3
1979	100.0	32.8	67.2	26.5	1.3	39.3	28.1	11.3
1980	100.0	32.4	67.6	26.6	1.3	39.6	28.7	11.0

¹"Personal health care expenditures" equal national health expenditures less spending for administration and prepayment, government public health activities, non-commercial research, and construction of medical facilities

²Private health insurance benefits and prepayment expenses are combined with direct payments for these years.

³Based on July 1 population estimates, which include the resident U.S. population and that of the outlying territories, plus Federal military and civilian employees and their dependents overseas

TABLE 5
Personal Health Care Expenditures: Aggregate and *per Capita* Amount and Percentage Distribution
by Source of Funds: Selected Calendar Years 1950-1980

	Total	Direct Consumer Payments	All Third Parties			Public Programs
			Total	Private		
				Insurance	Other	
Hospital Care: Amount (Billions)						
1950	\$3.9	\$1.2	\$2.7	\$.7	\$.1	\$1.9
1955	5.9	1.3	4.6	1.7	.2	2.7
1960	9.1	1.8	7.3	3.3	.2	3.8
1965	13.9	2.4	11.5	6.8	.3	5.4
1966	15.7	2.5	13.2	6.0	.3	6.9
1967	18.3	1.8	16.4	6.2	.3	10.0
1968	21.0	2.1	18.9	7.1	.3	11.5
1969	24.1	2.4	21.6	8.3	.3	13.1
1970	27.8	2.8	25.0	9.9	.4	14.7
1971	30.8	2.8	28.0	11.1	.5	16.5
1972	34.9	3.8	31.1	12.0	.5	18.6
1973	38.7	4.6	34.1	13.0	.5	20.5
1974	44.8	4.7	40.1	14.9	.6	24.6
1975	52.1	4.3	47.9	18.4	.6	28.8
1976	59.9	5.0	54.9	21.6	.7	32.7
1977	67.8	6.3	61.5	23.9	.9	36.8
1978	75.7	6.6	69.1	27.1	.9	41.1
1979	85.7	7.9	77.7	30.1	1.1	46.5
1980	99.6	9.1	90.5	35.0	1.2	54.2
Hospital Care: Dollar Amount <i>per Capita</i> ¹						
1950	\$24.90	\$7.45	\$17.45	\$4.40	\$.87	\$12.18
1955	35.04	7.83	27.21	9.97	1.04	16.20
1960	49.46	9.81	39.65	17.97	1.25	20.42
1965	70.13	12.03	58.10	29.29	1.56	27.25
1966	78.26	12.25	66.02	29.86	1.53	34.63
1967	90.23	9.01	81.22	30.44	1.37	49.41
1968	102.76	10.26	92.49	34.84	1.59	56.07
1969	116.55	11.68	104.87	40.18	1.44	63.24
1970	133.05	13.29	119.76	47.59	1.81	70.36
1971	145.87	13.37	132.50	52.31	2.30	77.89
1972	163.59	17.91	145.68	56.16	2.30	87.22
1973	179.36	21.43	157.93	60.50	2.41	95.02
1974	205.71	21.42	184.29	68.53	2.92	112.84
1975	236.97	19.35	217.61	83.86	2.64	131.11
1976	269.77	22.40	247.37	97.12	3.06	147.19
1977	302.20	27.98	274.22	106.43	3.82	163.97
1978	334.09	29.13	304.96	119.74	3.97	181.25
1979	373.98	34.69	339.29	131.54	4.73	203.02
1980	429.80	39.12	390.68	151.24	5.33	234.10
Hospital Care: Percentage Distribution						
1950	100.0%	29.9%	70.1%	17.7%	3.5%	48.9%
1955	100.0	22.3	77.7	28.5	3.0	46.2
1960	100.0	19.8	80.2	36.3	2.5	41.3
1965	100.0	17.2	82.8	41.8	2.2	38.9
1966	100.0	15.6	84.4	38.2	2.0	44.2
1967	100.0	10.0	90.0	33.7	1.5	54.8
1968	100.0	10.0	90.0	33.9	1.5	54.6
1969	100.0	10.0	90.0	34.5	1.2	54.3
1970	100.0	10.0	90.0	35.8	1.4	52.9
1971	100.0	9.2	90.8	35.9	1.6	53.4
1972	100.0	10.9	89.1	34.3	1.4	53.3
1973	100.0	11.9	88.1	33.7	1.3	53.0
1974	100.0	10.4	89.6	33.3	1.4	54.9
1975	100.0	8.2	91.8	35.4	1.1	55.3
1976	100.0	8.3	91.7	36.0	1.1	54.6
1977	100.0	9.3	90.7	35.2	1.3	54.3
1978	100.0	8.7	91.3	35.8	1.2	54.3
1979	100.0	9.3	90.7	35.2	1.3	54.3
1980	100.0	9.1	90.9	35.2	1.2	54.5

(continued)

TABLE 5
Personal Health Care Expenditures: Aggregate and *per Capita* Amount and Percentage Distribution
by Source of Funds: Selected Calendar Years 1950-1980 (Continued)

	Total	Direct Consumer Payments	All Third Parties			Public Programs
			Total	Private		
				Insurance	Other	
Physicians' Services: Amount (Billions)						
1950	\$2.7	\$2.3	\$.5	\$.3	*	\$.1
1955	3.7	2.6	1.1	.9	*	.2
1960	5.7	3.7	2.0	1.6	*	.4
1965	8.5	5.2	3.3	2.7	*	.6
1966	9.2	5.5	3.7	2.8	*	.8
1967	10.1	5.1	5.0	3.0	*	2.0
1968	11.1	5.2	5.9	3.4	*	2.5
1969	12.6	5.9	6.8	4.0	*	2.8
1970	14.3	6.5	7.9	4.9	*	3.0
1971	15.9	7.1	8.8	5.3	*	3.5
1972	17.2	7.3	9.9	6.0	*	3.9
1973	19.1	8.0	11.1	6.7	*	4.4
1974	21.2	8.1	13.2	7.9	*	5.3
1975	24.9	9.0	15.9	9.4	*	6.5
1976	27.6	9.7	17.9	10.8	*	7.1
1977	31.9	11.4	20.5	12.4	*	8.0
1978	35.8	13.1	22.7	13.5	*	9.2
1979	40.7	15.3	25.4	14.7	*	10.7
1980	46.6	17.4	29.2	16.9	*	12.3
Physicians' Services: Dollar Amount <i>per Capita</i> ¹						
1950	\$17.76	\$14.77	\$2.99	\$2.02	\$.05	\$.92
1955	21.91	15.30	6.61	5.09	.05	1.47
1960	30.92	20.21	10.71	8.67	.05	1.99
1965	42.82	26.27	16.55	13.56	.04	2.94
1966	45.84	27.46	18.39	14.10	.04	4.24
1967	50.12	25.24	24.89	14.72	.05	10.12
1968	54.34	25.55	28.79	16.51	.05	12.23
1969	61.29	28.44	32.84	19.35	.05	13.45
1970	68.74	31.00	37.74	23.31	.05	14.38
1971	75.35	33.83	41.52	25.08	.05	16.39
1972	80.36	34.07	46.28	27.93	.06	18.29
1973	88.45	36.98	51.47	30.91	.07	20.49
1974	97.60	37.02	60.57	36.09	.06	24.42
1975	113.38	41.04	72.34	42.58	.07	29.69
1976	124.17	43.56	80.61	48.55	.07	31.99
1977	142.05	50.66	91.39	55.47	.08	35.85
1978	158.03	57.79	100.24	59.50	.09	40.65
1979	177.65	66.90	110.75	64.07	.11	46.56
1980	201.18	75.04	126.15	73.00	.12	53.03
Physicians' Services: Percentage Distribution						
1950	100.0%	83.2%	16.8%	11.4%	.3%	5.2%
1955	100.0	69.8	30.2	23.2	.2	6.7
1960	100.0	65.4	34.6	28.0	.2	6.4
1965	100.0	61.4	38.6	31.7	.1	6.9
1966	100.0	59.9	40.1	30.8	.1	9.3
1967	100.0	50.3	49.7	29.4	.1	20.2
1968	100.0	47.0	53.0	30.4	.1	22.5
1969	100.0	46.4	53.6	31.6	.1	21.9
1970	100.0	45.1	54.9	33.9	.1	20.9
1971	100.0	44.9	55.1	33.3	.1	21.7
1972	100.0	42.4	57.6	34.8	.1	22.8
1973	100.0	41.8	58.2	34.9	.1	23.2
1974	100.0	37.9	62.1	37.0	.1	25.0
1975	100.0	36.2	63.8	37.6	.1	26.2
1976	100.0	35.1	64.9	39.1	.1	25.8
1977	100.0	35.7	64.3	39.0	.1	25.2
1978	100.0	36.6	63.4	37.7	.1	25.7
1979	100.0	37.7	62.3	36.1	.1	26.2
1980	100.0	37.3	62.7	36.3	.1	26.4

(continued)

TABLE 5
Personal Health Care Expenditures: Aggregate and per Capita Amount and Percentage Distribution
by Source of Funds: Selected Calendar Years 1950-1980 (Continued)

	Total	Direct Consumer Payments	All Third Parties			Public Programs
			Total	Private		
				Insurance	Other	
All Other Personal Health Care ² : Amount (Billions)						
1950	\$4.3	\$3.7	\$.6	(3)	\$.2	\$.4
1955	6.1	5.2	.9	(3)	.2	.6
1960	8.9	7.5	1.4	.1	.3	1.0
1965	13.4	10.9	2.5	.3	.5	1.7
1966	14.7	11.5	3.2	.3	.5	2.4
1967	16.0	11.9	4.0	.5	.5	3.0
1968	18.1	13.3	4.8	.4	.6	3.8
1969	20.2	14.7	5.5	.6	.6	4.3
1970	23.1	16.8	6.3	.8	.6	4.8
1971	25.2	17.8	7.4	1.0	.7	5.7
1972	28.1	19.9	8.2	1.1	.8	6.3
1973	30.9	21.6	9.3	1.4	.8	7.1
1974	34.9	23.7	11.2	1.7	.9	8.7
1975	39.7	25.7	14.0	2.3	1.0	10.8
1976	44.3	28.4	16.0	3.1	1.1	11.7
1977	49.1	31.1	18.0	3.7	1.2	13.1
1978	55.2	34.5	20.7	4.4	1.3	14.9
1979	62.8	38.8	24.0	5.4	1.4	17.2
1980	71.7	44.1	27.6	6.1	1.6	19.9
All Other Personal Health Care ² : Dollar Amount <i>per Capita</i> ¹						
1950	\$27.72	\$23.90	\$3.82	(3)	\$1.15	\$2.67
1955	36.34	31.11	5.23	(3)	1.48	3.75
1960	48.44	40.64	7.80	.54	1.62	5.64
1965	67.78	55.21	12.57	1.41	2.38	8.79
1966	73.51	57.54	15.97	1.66	2.48	11.83
1967	78.93	59.00	19.93	2.27	2.61	15.05
1968	88.41	64.94	23.47	2.19	2.74	18.54
1969	97.81	71.21	26.60	2.81	2.89	20.91
1970	110.50	80.46	30.04	3.96	3.10	22.98
1971	119.41	84.42	35.00	4.61	3.52	26.87
1972	131.59	93.13	38.45	5.28	3.63	29.55
1973	143.40	100.22	43.18	6.39	3.72	33.07
1974	160.54	108.86	51.68	7.77	4.02	39.89
1975	180.62	116.87	63.75	10.31	4.47	48.97
1976	199.73	127.77	71.96	14.11	4.96	52.88
1977	218.91	138.58	80.32	16.56	5.38	58.38
1978	243.45	152.28	91.17	19.55	5.80	65.81
1979	274.06	169.18	104.88	23.44	6.30	75.14
1980	309.63	190.49	119.14	26.41	6.91	85.83
All Other Personal Health Care ² : Percentage Distribution						
1950	100.0%	86.2%	13.8%	(3)	4.2%	9.6%
1955	100.0	85.6	14.4	(3)	4.1	10.3
1960	100.0	83.9	16.1	1.1	3.3	11.6
1965	100.0	81.5	18.5	2.1	3.5	13.0
1966	100.0	78.3	21.7	2.3	3.4	16.1
1967	100.0	74.7	25.3	2.9	3.3	19.1
1968	100.0	73.5	26.5	2.5	3.1	21.0
1969	100.0	72.8	27.2	2.9	3.0	21.4
1970	100.0	72.8	27.2	3.6	2.8	20.8
1971	100.0	70.7	29.3	3.9	2.9	22.5
1972	100.0	70.8	29.2	4.0	2.8	22.5
1973	100.0	69.9	30.1	4.5	2.6	23.1
1974	100.0	67.8	32.2	4.8	2.5	24.8
1975	100.0	64.7	35.3	5.7	2.5	27.1
1976	100.0	64.0	36.0	7.1	2.5	26.5
1977	100.0	63.3	36.7	7.6	2.5	26.7
1978	100.0	62.6	37.4	8.0	2.4	27.0
1979	100.0	61.7	38.3	8.6	2.3	27.4
1980	100.0	61.5	38.5	8.5	2.2	27.7

* Less than \$100 million

¹Based on July 1 population estimates, which include the resident U.S. population and that of the outlying territories, plus Federal military and civilian employees and their dependents overseas

²Dentists' services, other professional services, drugs and medical sundries, eyeglasses and appliances, nursing home care, and other personal health care

³Included with direct payments: separate data not available

TABLE 6A
Personal Health Care Expenditures by Source of Funds and Type of Expenditure: Aggregate and *per Capita*
Amount and Percentage Distribution, Calendar Year 1980

<u>Source of Payment</u>	<u>Total</u>	<u>Hos- pital Care</u>	<u>Phy- sicians' Svcs</u>	<u>Den- tists' Svcs</u>	<u>Other Prof Svcs</u>	<u>Drugs</u>	<u>Glasses</u>	<u>Nursing Home Care</u>	<u>Other Personal Health</u>
Amount (Billions)									
Total	\$217.9	\$99.6	\$46.6	\$15.9	\$5.4	\$19.2	\$5.1	\$20.7	\$5.4
Direct Payments	70.6	9.1	17.4	12.0	3.2	15.9	4.4	8.7	—
Third-Party Payments	147.3	90.5	29.2	3.9	2.2	3.3	.7	12.0	5.4
Private Health Insurance	58.1	35.0	16.9	3.3	.7	1.8	.2	.1	—
Philanthropy and Industrial									
In-Plant	2.9	1.2	—	—	.1	—	—	.1	1.4
Government	86.4	54.2	12.3	.6	1.5	1.6	.5	11.8	4.0
Federal	62.5	41.3	9.4	.3	1.0	.8	.4	6.4	2.8
Medicare ¹	35.6	26.3	7.7	—	.7	—	.4	.4	.1
Medicaid ²	13.9	5.2	1.3	.3	.3	.7	—	5.7	.5
Other	13.0	9.8	.4	.1	—	—	.1	.4	2.2
State and Local	23.9	12.9	2.9	.3	.4	.8	.1	5.3	1.2
Medicaid ²	11.4	4.3	1.0	.2	.2	.6	—	4.7	.4
Other	12.4	8.6	1.8	—	.2	.2	.1	.7	.9
Dollar Amount <i>per Capita</i> ³									
Total	\$940.62	\$429.80	\$201.18	\$68.42	\$23.30	\$83.00	\$22.10	\$89.46	\$23.34
Direct Payments	304.65	39.12	75.04	51.61	13.84	68.63	18.88	37.53	—
Third-Party Payments	635.97	390.68	126.15	16.82	9.47	14.37	3.21	51.93	23.34
Private Health Insurance	250.65	151.24	73.00	14.27	2.95	7.65	.89	.64	—
Philanthropy and Industrial									
In-Plant	12.36	5.33	.12	—	.25	—	—	.54	6.12
Government	372.96	234.10	53.03	2.54	6.26	6.72	2.32	50.75	17.22
Federal	269.91	178.32	40.64	1.45	4.50	3.36	1.94	27.70	12.00
Medicare ¹	153.76	113.44	33.44	—	2.99	—	1.56	1.69	.64
Medicaid ²	59.96	22.46	5.44	1.13	1.29	3.18	—	24.46	2.00
Other	56.19	42.42	1.77	.32	.21	.19	.38	1.55	9.35
State and Local	103.05	55.79	12.38	1.09	1.76	3.36	.38	23.06	5.23
Medicaid ²	49.35	18.52	4.49	.93	1.07	2.62	—	20.17	1.55
Other	53.70	37.26	7.89	.16	.70	.74	.38	2.89	3.68
Percentage Distribution									
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Direct Payments	32.4	9.1	37.3	75.4	59.4	82.7	85.5	41.9	—
Third-Party Payments	67.6	90.9	62.7	24.6	40.6	17.3	14.5	58.1	100.0
Private Health Insurance	26.6	35.2	36.3	20.9	12.7	9.2	4.0	.7	—
Philanthropy and Industrial									
In-Plant	1.3	1.2	.1	—	1.1	—	—	.6	26.2
Government	39.6	54.5	26.4	3.7	26.9	8.1	10.5	56.7	73.8
Federal	28.7	41.5	20.2	2.1	19.3	4.1	8.8	31.0	51.4
Medicare ¹	16.3	26.4	16.6	—	12.8	—	7.1	1.9	2.7
Medicaid ²	6.4	5.2	2.7	1.7	5.5	3.8	—	27.3	8.6
Other	6.0	9.9	.9	.5	.9	.2	1.7	1.7	40.1
State and Local	11.0	13.0	6.2	1.6	7.6	4.0	1.7	25.8	22.4
Medicaid ²	5.2	4.3	2.2	1.4	4.6	3.2	—	22.5	6.6
Other	5.7	8.7	3.9	.2	3.0	.9	1.7	3.2	15.8

TABLE 6B
Personal Health Care Expenditures by Source of Funds and Type of Expenditure: Aggregate and *per Capita*
Amount and Percentage Distribution, Calendar Year 1979

<u>Source of Payment</u>	<u>Total</u>	<u>Hos- pital Care</u>	<u>Phy- sicians' Svcs</u>	<u>Den- tists' Svcs</u>	<u>Other Prof Svcs</u>	<u>Drugs</u>	<u>Glasses</u>	<u>Nursing Home Care</u>	<u>Other Personal Health</u>
Amount (Billions)									
Total	\$189.1	\$85.7	\$40.7	\$13.5	\$4.7	\$17.2	\$4.6	\$17.8	\$5.0
Direct Payments	62.0	7.9	15.3	10.1	2.9	14.2	4.0	7.6	—
Third-Party Payments	127.1	77.7	25.4	3.4	1.8	3.0	.6	10.2	5.0
Private Health Insurance	50.2	30.1	14.7	2.9	.6	1.6	.2	.1	—
Philanthropy and Industrial									
In-Plant	2.6	1.1	—	—	.1	—	—	.1	1.3
Government	74.4	46.5	10.7	.5	1.2	1.4	.4	9.9	3.7
Federal	53.1	34.9	8.0	.3	.8	.7	.4	5.4	2.6
Medicare ¹	29.3	21.5	6.5	—	.6	—	.3	.4	.1
Medicaid ²	11.9	4.4	1.2	.2	.2	.7	—	4.7	.4
Other	11.9	8.9	.4	.1	—	—	.1	.3	2.0
State and Local	21.3	11.6	2.6	.2	.3	.7	.1	4.5	1.1
Medicaid ²	9.8	3.6	1.0	.2	.2	.5	—	3.9	.3
Other	11.5	8.0	1.7	—	.1	.2	.1	.6	.8
Dollar Amount <i>per Capita</i> ³									
Total	\$825.68	\$373.98	\$177.65	\$58.95	\$20.47	\$75.03	\$20.20	\$77.62	\$21.78
Direct Payments	270.77	34.69	66.90	44.02	12.48	62.11	17.42	33.15	—
Third-Party Payments	554.92	339.29	110.75	14.93	8.00	12.92	2.78	44.47	21.78
Private Health Insurance	219.05	131.54	64.07	12.66	2.58	6.79	.82	.58	—
Philanthropy and Industrial									
In-Plant	11.14	4.73	.11	—	.23	—	—	.47	5.60
Government	324.73	203.02	46.56	2.26	5.19	6.13	1.96	43.41	16.18
Federal	231.78	152.17	35.12	1.26	3.68	3.06	1.61	23.68	11.20
Medicare ¹	128.09	94.03	28.35	—	2.41	—	1.25	1.58	.48
Medicaid ²	51.78	19.19	5.09	1.03	1.06	2.89	—	20.73	1.79
Other	51.91	38.95	1.68	.24	.21	.18	.37	1.37	8.93
State and Local	92.95	50.85	11.45	1.00	1.51	3.06	.35	19.73	4.98
Medicaid ²	42.78	15.90	4.22	.85	.88	2.39	—	17.17	1.38
Other	50.17	34.96	7.23	.15	.63	.68	.35	2.57	3.60
Percentage Distribution									
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Direct Payments	32.8	9.3	37.7	74.7	60.9	82.8	86.2	42.7	—
Third-Party Payments	67.2	90.7	62.3	25.3	39.1	17.2	13.8	57.3	100.0
Private Health Insurance	26.5	35.2	36.1	21.5	12.6	9.1	4.0	.8	—
Philanthropy and Industrial									
In-Plant	1.3	1.3	.1	—	1.1	—	—	.6	25.7
Government	39.3	54.3	26.2	3.8	25.3	8.2	9.7	55.9	74.3
Federal	28.1	40.7	19.8	2.1	18.0	4.1	8.0	30.5	51.4
Medicare ¹	15.5	25.1	16.0	—	11.8	—	6.2	2.0	2.2
Medicaid ²	6.3	5.1	2.9	1.7	5.2	3.8	—	26.7	8.2
Other	6.3	10.4	.9	.4	1.0	.2	1.8	1.8	41.0
State and Local	11.3	13.6	6.4	1.7	7.4	4.1	1.7	25.4	22.9
Medicaid ²	5.2	4.3	2.4	1.4	4.3	3.2	—	22.1	6.3
Other	6.1	9.3	4.1	.3	3.1	.9	1.7	3.3	16.5

TABLE 6C
Personal Health Care Expenditures by Source of Funds and Type of Expenditure: Aggregate and *per Capita*
Amount and Percentage Distribution, Calendar Year 1978

<u>Source of Payment</u>	<u>Total</u>	<u>Hos- pital Care</u>	<u>Phy- sicians' Svcs</u>	<u>Den- tists' Svcs</u>	<u>Other Prof Svcs</u>	<u>Drugs</u>	<u>Glasses</u>	<u>Nursing Home Care</u>	<u>Other Personal Health</u>
Amount (Billions)									
Total	\$166.7	\$75.7	\$35.8	\$11.8	\$4.1	\$15.4	\$4.1	\$15.2	\$4.5
Direct Payments	54.2	6.6	13.1	9.0	2.5	12.8	3.6	6.6	—
Third-Party Payments	112.5	69.1	22.7	2.8	1.6	2.6	.5	8.6	4.5
Private Health Insurance	45.0	27.1	13.5	2.3	.6	1.3	.2	.1	—
Philanthropy and Industrial									
In-Plant	2.2	.9	—	—	—	—	—	.1	1.2
Government	65.2	41.1	9.2	.5	1.0	1.3	.4	8.4	3.3
Federal	46.4	30.6	6.9	.3	.7	.7	.3	4.7	2.3
Medicare ¹	24.9	18.4	5.4	—	.5	—	.2	.3	.1
Medicaid ²	10.5	3.9	1.1	.2	.2	.6	—	4.0	.4
Other	11.0	8.3	.4	.1	—	—	.1	.3	1.9
State and Local	18.8	10.5	2.3	.2	.3	.6	.1	3.8	1.0
Medicaid ²	8.3	3.1	.9	.2	.2	.5	—	3.2	.3
Other	10.4	7.3	1.4	—	.1	.1	.1	.5	.8
Dollar Amount <i>per Capita</i> ³									
Total	\$735.57	\$334.09	\$158.03	\$51.98	\$18.18	\$68.03	\$18.24	\$67.12	\$19.90
Direct Payments	239.20	29.13	57.79	39.62	11.13	56.60	15.87	29.06	—
Third-Party Payments	496.37	304.96	100.24	12.37	7.04	11.42	2.37	38.07	19.90
Private Health Insurance	198.80	119.74	59.50	10.18	2.44	5.73	.73	.48	—
Philanthropy and Industrial									
In-Plant	9.87	3.97	.09	—	.20	—	—	.42	5.19
Government	287.71	181.25	40.65	2.19	4.40	5.69	1.64	37.17	14.72
Federal	204.79	135.09	30.32	1.25	3.12	2.90	1.33	20.62	10.16
Medicare ¹	110.08	81.39	23.79	—	2.01	—	.99	1.52	.38
Medicaid ²	46.16	17.18	4.96	.99	.91	2.72	—	17.85	1.56
Other	48.55	36.52	1.58	.26	.20	.17	.34	1.25	8.23
State and Local	82.91	46.16	10.32	.93	1.28	2.79	.31	16.55	4.56
Medicaid ²	36.82	13.73	3.96	.79	.73	2.18	—	14.27	1.18
Other	46.09	32.43	6.36	.14	.56	.62	.31	2.29	3.38
Percentage Distribution									
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Direct Payments	32.5	8.7	36.6	76.2	61.3	83.2	87.0	43.3	—
Third-Party Payments	67.5	91.3	63.4	23.8	38.7	16.8	13.0	56.7	100.0
Private Health Insurance	27.0	35.8	37.7	19.6	13.4	8.4	4.0	.7	—
Philanthropy and Industrial									
In-Plant	1.3	1.2	.1	—	1.1	—	—	.6	26.1
Government	39.1	54.3	25.7	4.2	24.2	8.4	9.0	55.4	73.9
Federal	27.8	40.4	19.2	2.4	17.2	4.3	7.3	30.7	51.1
Medicare ¹	15.0	24.4	15.1	—	11.1	—	5.4	2.3	1.9
Medicaid ²	6.3	5.1	3.1	1.9	5.0	4.0	—	26.6	7.8
Other	6.6	10.9	1.0	.5	1.1	.3	1.8	1.9	41.3
State and Local	11.3	13.8	6.5	1.8	7.0	4.1	1.7	24.7	22.9
Medicaid ²	5.0	4.1	2.5	1.5	4.0	3.2	—	21.3	5.9
Other	6.3	9.7	4.0	.3	3.1	.9	1.7	3.4	17.0

TABLE 6D
Personal Health Care Expenditures by Source of Funds and Type of Expenditure: Aggregate and *per Capita*
Amount and Percentage Distribution, Calendar Year 1975

<u>Source of Payment</u>	<u>Total</u>	<u>Hos- pital Care</u>	<u>Phy- sicians' Svcs</u>	<u>Den- tists' Svcs</u>	<u>Other Prof Svcs</u>	<u>Drugs</u>	<u>Glasses</u>	<u>Nursing Home Care</u>	<u>Other Personal Health</u>
Amount (Billions)									
Total	\$116.8	\$52.1	\$24.9	\$8.2	\$2.6	\$11.9	\$3.2	\$10.1	\$3.7
Direct Payments	39.0	4.3	9.0	6.8	1.7	10.2	2.8	4.3	—
Third-Party Payments	77.8	47.9	15.9	1.5	1.0	1.8	.3	5.8	3.7
Private Health Insurance	30.1	18.4	9.4	1.0	.4	.7	.1	.1	—
Philanthropy and Industrial									
In-Plant	1.6	.6	—	—	—	—	—	.1	.9
Government	46.1	28.8	6.5	.5	.6	1.0	.2	5.7	2.8
Federal	31.4	20.3	4.6	.3	.4	.5	.2	3.2	2.0
Medicare ¹	15.6	11.6	3.3	—	.2	—	.1	.3	—
Medicaid ²	7.6	2.6	1.0	.2	.1	.5	—	2.7	.3
Other	8.3	6.0	.3	.1	—	—	.1	.2	1.6
State and Local	14.7	8.6	1.9	.2	.2	.5	.1	2.5	.8
Medicaid ²	6.0	2.1	.8	.2	.1	.4	—	2.2	.2
Other	8.7	6.5	1.1	—	.1	.1	.1	.3	.6
Dollar Amount <i>per Capita</i> ³									
Total	\$530.97	\$236.97	\$113.38	\$37.46	\$11.91	\$54.30	\$14.34	\$45.86	\$16.75
Direct Payments	177.27	19.35	41.04	30.76	7.52	46.25	12.94	19.40	—
Third-Party Payments	353.71	217.61	72.34	6.70	4.39	8.05	1.40	26.46	16.75
Private Health Insurance	136.76	83.86	42.58	4.58	1.64	3.38	.37	.35	—
Philanthropy and Industrial									
In-Plant	7.18	2.64	.07	—	.14	—	—	.28	4.06
Government	209.77	131.11	29.69	2.12	2.61	4.67	1.04	25.83	12.70
Federal	142.94	92.18	21.12	1.25	1.70	2.40	.80	14.48	8.99
Medicare ¹	70.89	52.84	15.09	—	.90	—	.53	1.32	.20
Medicaid ²	34.43	12.01	4.77	.93	.63	2.26	—	12.37	1.45
Other	37.62	27.33	1.27	.32	.17	.13	.28	.79	7.33
State and Local	66.84	38.93	8.57	.87	.90	2.27	.23	11.35	3.71
Medicaid ²	27.13	9.49	3.77	.74	.50	1.79	—	9.78	1.06
Other	39.71	29.43	4.80	.14	.40	.48	.23	1.57	2.65
Percentage Distribution									
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Direct Payments	33.4	8.2	36.2	82.1	63.2	85.2	90.2	42.3	—
Third-Party Payments	66.6	91.8	63.8	17.9	36.8	14.8	9.8	57.7	100.0
Private Health Insurance	25.8	35.4	37.6	12.2	13.8	6.2	2.6	.8	—
Philanthropy and Industrial									
In-Plant	1.4	1.1	.1	—	1.2	—	—	.6	24.2
Government	39.5	55.3	26.2	5.7	21.9	8.6	7.2	56.3	75.8
Federal	26.9	38.9	18.6	3.3	14.3	4.4	5.6	31.6	53.6
Medicare ¹	13.4	22.3	13.3	—	7.6	—	3.7	2.9	1.2
Medicaid ²	6.5	5.1	4.2	2.5	5.3	4.2	—	27.0	8.6
Other	7.1	11.5	1.1	.8	1.4	.2	1.9	1.7	43.8
State and Local	12.6	16.4	7.6	2.3	7.6	4.2	1.6	24.7	22.1
Medicaid ²	5.1	4.0	3.3	2.0	4.2	3.3	—	21.3	6.3
Other	7.5	12.4	4.2	.4	3.4	.9	1.6	3.4	15.8

TABLE 6E
Personal Health Care Expenditures by Source of Funds and Type of Expenditure: Aggregate and per Capita
Amount and Percentage Distribution, Calendar Year 1970

<u>Source of Payment</u>	<u>Total</u>	<u>Hos- pital Care</u>	<u>Phy- sicians' Svcs</u>	<u>Den- tists' Svcs</u>	<u>Other Prof Svcs</u>	<u>Drugs</u>	<u>Glasses</u>	<u>Nursing Home Care</u>	<u>Other Personal Health</u>
Amount (Billions)									
Total	\$65.1	\$27.8	\$14.3	\$4.7	\$1.6	\$8.0	\$1.9	\$4.7	\$2.1
Direct Payments	26.0	2.8	6.5	4.3	1.1	7.2	1.8	2.4	—
Third-Party Payments	39.1	25.0	7.9	.5	.5	.8	.1	2.3	2.1
Private Health Insurance	15.6	9.9	4.9	.2	.3	.3	—	—	—
Philanthropy and Industrial									
In-plant	1.0	.4	—	—	—	—	—	—	.6
Government	22.5	14.7	3.0	.2	.2	.5	.1	2.3	1.5
Federal	14.5	9.5	2.1	.1	.1	.2	.1	1.3	.9
Medicare ¹	7.1	5.1	1.6	—	.1	—	—	.3	—
Medicaid ²	2.9	1.2	.4	.1	—	.2	—	.8	.1
Other	4.6	3.2	.1	—	—	—	—	.3	.8
State and Local	7.9	5.2	.9	.1	.1	.2	—	.9	.5
Medicaid ²	2.4	1.0	.3	.1	—	.2	—	.6	.1
Other	5.6	4.1	.5	—	—	.1	—	.3	.4
Dollar Amount per Capita ³									
Total	\$312.29	\$133.05	\$68.74	\$22.77	\$7.64	\$38.33	\$9.33	\$22.52	\$9.92
Direct Payments	124.75	13.29	31.00	20.52	5.24	34.54	8.80	11.36	—
Third-Party Payments	187.55	119.76	37.74	2.25	2.40	3.79	.53	11.16	9.92
Private Health Insurance	74.87	47.59	23.31	1.18	1.25	1.47	.01	.06	—
Philanthropy and Industrial									
In-Plant	4.96	1.81	.05	—	.10	—	—	.16	2.84
Government	107.72	70.36	14.38	1.07	1.06	2.32	.51	10.94	7.08
Federal	69.66	45.63	10.25	.62	.67	1.15	.37	6.44	4.51
Medicare ¹	34.05	24.30	7.80	—	.38	—	.22	1.27	.08
Medicaid ²	13.73	5.87	1.82	.44	.20	1.08	—	3.73	.59
Other	21.88	15.46	.64	.19	.09	.06	.16	1.44	3.84
State and Local	38.06	24.73	4.13	.45	.38	1.18	.14	4.49	2.56
Medicaid ²	11.29	4.85	1.50	.36	.16	.89	—	3.09	.43
Other	26.77	19.87	2.63	.08	.22	.28	.14	1.41	2.13
Percentage Distribution									
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Direct Payments	39.9	10.0	45.1	90.1	68.6	90.1	94.3	50.4	—
Third-Party Payments	60.1	90.0	54.9	9.9	31.4	9.9	5.7	49.6	100.0
Private Health Insurance	24.0	35.8	33.9	5.2	16.3	3.8	.1	.3	—
Philanthropy and Industrial									
In-plant	1.6	1.4	.1	—	1.3	—	—	.7	28.6
Government	34.5	52.9	20.9	4.7	13.8	6.1	5.5	48.6	71.4
Federal	22.3	34.3	14.9	2.7	8.8	3.0	4.0	28.6	45.5
Medicare ¹	10.9	18.3	11.3	—	5.0	—	2.3	5.6	.8
Medicaid ²	4.4	4.4	2.6	1.9	2.6	2.8	—	16.6	6.0
Other	7.0	11.6	.9	.8	1.2	.2	1.7	6.4	38.7
State and Local	12.2	18.6	6.0	2.0	5.0	3.1	1.5	20.0	25.9
Medicaid ²	3.6	3.6	2.2	1.6	2.1	2.3	—	13.7	4.3
Other	8.6	14.9	3.8	.4	2.9	.7	1.5	6.3	21.5

TABLE 6F
Personal Health Care Expenditures by Source of Funds and Type of Expenditure: Aggregate and *per Capita*
Amount and Percentage Distribution, Calendar Year 1965

<u>Source of Payment</u>	<u>Total</u>	<u>Hos- pital Care</u>	<u>Phys- icians' Svcs</u>	<u>Den- tists' Svcs</u>	<u>Other Prof Svcs</u>	<u>Drugs</u>	<u>Glasses</u>	<u>Nursing Home Care</u>	<u>Other Personal Health</u>
Amount (Billions)									
Total	\$35.8	\$13.9	\$8.5	\$2.8	\$1.0	\$5.2	\$1.2	\$2.1	\$1.1
Direct Payments	18.5	2.4	5.2	2.7	.9	4.9	1.1	1.3	—
Third-Party Payments	17.3	11.5	3.3	.1	.2	.3	—	.7	1.1
Private Health Insurance	8.8	5.8	2.7	—	.1	.1	—	—	—
Philanthropy and Industrial									
In-plant	.8	.3	—	—	—	—	—	—	.4
Government	7.7	5.4	.6	—	—	.2	—	.7	.7
Federal	3.6	2.4	.2	—	—	.1	—	.5	.4
Medicare ¹	—	—	—	—	—	—	—	—	—
Medicaid ²	—	—	—	—	—	—	—	—	—
Other	3.6	2.4	.2	—	—	.1	—	.5	.4
State and Local	4.1	3.0	.4	—	—	.1	—	.3	.3
Medicaid ²	—	—	—	—	—	—	—	—	—
Other	4.1	3.0	.4	—	—	.1	—	.3	.3
Dollar Amount <i>per Capita</i> ³									
Total	\$180.73	\$70.13	\$42.82	\$14.19	\$5.22	\$26.18	\$5.93	\$10.47	\$5.79
Direct Payments	93.51	12.03	26.27	13.74	4.40	24.54	5.77	6.76	—
Third-Party Payments	87.22	58.10	16.55	.45	.82	1.64	.15	3.71	5.79
Private Health Insurance	44.25	29.29	13.56	.21	.54	.65	—	.01	—
Philanthropy and Industrial									
In-Plant	3.98	1.56	.04	—	.09	—	—	.11	2.18
Government	38.98	27.25	2.94	.25	.19	.99	.15	3.60	3.61
Federal	18.32	12.28	.76	.16	.06	.61	.06	2.32	2.06
Medicare ¹	—	—	—	—	—	—	—	—	—
Medicaid ²	—	—	—	—	—	—	—	—	—
Other	18.32	12.28	.76	.16	.06	.61	.06	2.32	2.06
State and Local	20.66	14.97	2.18	.08	.13	.39	.08	1.27	1.55
Medicaid ²	—	—	—	—	—	—	—	—	—
Other	20.66	14.97	2.18	.08	.13	.39	.08	1.27	1.55
Percentage Distribution									
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Direct Payments	51.7	17.2	61.4	96.8	84.3	93.7	97.4	64.5	—
Third-Party Payments	48.3	82.8	38.6	3.2	15.7	6.3	2.6	35.5	100.0
Private Health Insurance	24.5	41.8	31.7	1.5	10.3	2.5	.1	.1	—
Philanthropy and Industrial									
In-plant	2.2	2.2	.1	—	1.7	—	—	1.0	37.6
Government	21.6	38.9	6.9	1.7	3.7	3.8	2.5	34.3	62.4
Federal	10.1	17.5	1.8	1.1	1.2	2.3	1.1	22.2	35.5
Medicare ¹	—	—	—	—	—	—	—	—	—
Medicaid ²	—	—	—	—	—	—	—	—	—
Other	10.1	17.5	1.8	1.1	1.2	2.3	1.1	22.2	35.5
State and Local	11.4	21.3	5.1	.6	2.5	1.5	1.4	12.1	26.8
Medicaid ²	—	—	—	—	—	—	—	—	—
Other	11.4	21.3	5.1	.6	2.5	1.5	1.4	12.1	26.8

¹Total expenditures from trust funds for benefits; trust fund income includes premium payments paid by or on behalf of enrollees

²Includes funds paid into Medicare trust funds by States under "buy-in" agreements to cover premiums for public assistance recipients and for persons who are medically indigent

³Based on July 1 population estimates which include the population of outlying territories and armed forces and Federal civilian employees and their dependents overseas

TABLE 7A
Expenditures for Health Services and Supplies Under Public Programs by Source of Funds and Type of Expenditure
Calendar Year 1980

Program Area	Personal Health Care											
	Total	Total	Hosp	Phys	Dent	Prof	Drugs	Glasses	Nursing Home	Other	Admin	GPHA*
	Amount (Billions)											
Total Spending (Public and Private)	\$235.6	\$217.9	\$99.6	\$46.6	\$15.9	\$5.4	\$19.2	\$5.1	\$20.7	\$5.4	\$10.4	\$7.3
All Public Programs	96.9	86.4	54.2	12.3	.6	1.5	1.6	.5	11.8	4.0	3.2	7.3
Total Federal Expenditures	65.7	62.5	41.3	9.4	.3	1.0	.8	.4	6.4	2.8	2.0	1.2
Total State and Local Expenditures	31.3	23.9	12.9	2.9	.3	.4	.8	.1	5.3	1.2	1.3	6.1
Medicare ¹ (Federal)	36.7	35.6	26.3	7.7	—	.7	—	.4	.4	.1	1.1	—
Medicaid ²	26.6	25.3	9.5	2.3	.5	.5	1.3	—	10.3	.8	1.3	—
Federal Expenditures	14.6	13.9	5.2	1.3	.3	.3	.7	—	5.7	.5	.7	—
State and Local Expenditures	12.0	11.4	4.3	1.0	.2	.2	.6	—	4.7	.4	.5	—
Other Public Assistance Payments for Medical Care	1.6	1.6	.6	.2	—	—	.1	—	.7	.1	—	—
Federal	—	—	—	—	—	—	—	—	—	—	—	—
State and Local	1.6	1.6	.6	.2	—	—	.1	—	.7	.1	—	—
Veterans' Medical Care	5.8	5.8	4.8	.1	.1	—	—	.1	.4	.4	—	—
Defense Department Medical Care ³	4.2	4.2	3.3	.1	—	—	—	—	—	.7	—	—
Workers Compensation	4.6	3.9	2.0	1.6	—	.1	.1	.1	—	—	.7	—
Federal Employees	.1	.1	.1	—	—	—	—	—	—	—	—	—
State and Local Programs	4.5	3.8	1.9	1.6	—	.1	.1	.1	—	—	.7	—
State and Local Hospitals (net) ⁴	6.0	6.0	6.0	—	—	—	—	—	—	—	—	—
Other Public Expenditures for Personal Health Care ⁵	4.0	3.9	1.7	.3	—	.1	—	—	—	1.8	.1	—
Federal	2.9	2.9	1.6	.2	—	—	—	—	—	1.0	—	—
State and Local	1.1	1.0	.1	.1	—	—	—	—	—	.8	—	—
Government Public Health Activities	7.3	—	—	—	—	—	—	—	—	—	—	7.3
Federal	1.2	—	—	—	—	—	—	—	—	—	—	1.2
State and Local	6.1	—	—	—	—	—	—	—	—	—	—	6.1
Addendum: Medicare and Medicaid	63.0	60.6	35.8	10.0	.5	1.2	1.3	.4	10.7	.6	2.4	—

* Government Public Health Activities

¹ Total expenditures from trust funds for benefits and administrative costs; trust fund income includes premium payments paid by or on behalf of enrollees

² Includes funds paid into Medicare trust funds by States under "buy-in" agreements to cover premiums for public assistance recipients and for persons who are medically indigent

³ Includes care for retirees and military dependents; payments for services other than hospital care and other health care represent only those made under contract medical programs

⁴ Expenditures for State and local government hospitals not offset by other revenues

⁵ Includes program spending for maternal and child health; vocational rehabilitation medical payments; temporary disability insurance medical payments; PHS and other Federal hospital expenses; Indian Health Service costs; alcoholism, drug abuse, and mental health expenditures; and school health expenditures

⁶ Based on July 1 population estimates, which include the resident U.S. population and that of the outlying territories, plus Federal military and civilian employees and their dependents overseas

TABLE 7B
Expenditures for Health Services and Supplies Under Public Programs by Source of Funds and Type of Expenditure
Calendar Year 1979

Program Area	Personal Health Care											
	Total	Total	Hosp	Phys	Dent	Prof	Drugs	Glasses	Nursing Home	Other	Admin	GPHA*
	Amount (Billions)											
Total Spending (Public and Private)	\$204.3	\$189.1	\$85.7	\$40.7	\$13.5	\$4.7	\$17.2	\$4.6	\$17.8	\$5.0	\$8.9	\$6.4
All Public Programs	83.6	74.4	46.5	10.7	.5	1.2	1.4	.4	9.9	3.7	2.9	6.4
Total Federal Expenditures	56.2	53.1	34.9	8.0	.3	.8	.7	.4	5.4	2.6	1.8	1.3
Total State and Local Expenditures	27.4	21.3	11.6	2.6	.2	.3	.7	.1	4.5	1.1	1.1	5.0
Medicare ¹ (Federal)	30.3	29.3	21.5	6.5	—	.6	—	.3	.4	.1	1.0	—
Medicaid ²	22.8	21.7	8.0	2.1	.4	.4	1.2	—	8.7	.7	1.1	—
Federal Expenditures	12.5	11.9	4.4	1.2	.2	.2	.7	—	4.7	.4	.7	—
State and Local Expenditures	10.2	9.8	3.6	1.0	.2	.2	.5	—	3.9	.3	.4	—
Other Public Assistance Payments for Medical Care	1.5	1.5	.5	.1	—	—	.1	—	.6	—	—	—
Federal	—	—	—	—	—	—	—	—	—	—	—	—
State and Local	1.5	1.5	.5	.1	—	—	.1	—	.6	—	—	—
Veterans' Medical Care	5.3	5.3	4.4	.1	—	—	—	—	.3	.4	—	—
Defense Department Medical Care ³	3.8	3.8	2.9	.1	—	—	—	—	—	.7	—	—
Workers Compensation	4.1	3.5	1.8	1.5	—	.1	.1	.1	—	—	.6	—
Federal Employees	.1	.1	.1	—	—	—	—	—	—	—	—	—
State and Local Programs	4.0	3.4	1.7	1.4	—	.1	.1	.1	—	—	.6	—
State and Local Hospitals (net) ⁴	5.7	5.7	5.7	—	—	—	—	—	—	—	—	—
Other Public Expenditures for Personal Health Care ⁵	3.8	3.7	1.6	.3	—	.1	—	—	—	1.7	.1	—
Federal	2.7	2.7	1.5	.2	—	—	—	—	—	.9	—	—
State and Local	1.0	1.0	.1	.1	—	—	—	—	—	.8	—	—
Government Public Health Activities	6.4	—	—	—	—	—	—	—	—	—	—	6.4
Federal	1.3	—	—	—	—	—	—	—	—	—	—	1.3
State and Local	5.0	—	—	—	—	—	—	—	—	—	—	5.0
Addendum: Medicare and Medicaid	52.8	50.7	29.6	8.6	.4	1.0	1.2	.3	9.0	.5	2.1	—

*Government Public Health Activities

¹Total expenditures from trust funds for benefits and administrative costs; trust fund income includes premium payments paid by or on behalf of enrollees²Includes funds paid into Medicare trust funds by States under "buy-in" agreements to cover premiums for public assistance recipients and for persons who are medically indigent³Includes care for retirees and military dependents; payments for services other than hospital care and other health care represent only those made under contract medical programs⁴Expenditures for State and local government hospitals not offset by other revenues⁵Includes program spending for maternal and child health; vocational rehabilitation medical payments; temporary disability insurance medical payments; PHS and other Federal hospital expenses; Indian Health Service costs; alcoholism, drug abuse, and mental health expenditures; and school health expenditures⁶Based on July 1 population estimates, which include the resident U.S. population and that of the outlying territories, plus Federal military and civilian employees and their dependents overseas

TABLE 7C
Expenditures for Health Services and Supplies Under Public Programs by Source of Funds and Type of Expenditure
Calendar Year 1978

Program Area	Personal Health Care											
	Total	Total	Hosp	Phys	Dent	Prof	Drugs	Glasses	Nursing Home	Other	Admin	GPHA*
	Amount (Billions)											
Total Spending (Public and Private)	\$179.5	\$166.7	\$75.7	\$35.8	\$11.8	\$4.1	\$15.4	\$4.1	\$15.2	\$4.5	\$7.5	\$5.3
All Public Programs	73.1	65.2	41.1	9.2	.5	1.0	1.3	.4	8.4	3.3	2.6	5.3
Total Federal Expenditures	49.3	46.4	30.6	6.9	.3	.7	.7	.3	4.7	2.3	1.7	1.2
Total State and Local Expenditures	23.8	18.8	10.5	2.3	.2	.3	.6	.1	3.8	1.0	.9	4.1
Medicare ¹ (Federal)	25.9	24.9	18.4	5.4	—	.5	—	.2	.3	.1	1.0	—
Medicaid ²	19.8	18.8	7.0	2.0	.4	.4	1.1	—	7.3	.6	1.0	—
Federal Expenditures	11.1	10.5	3.9	1.1	.2	.2	.6	—	4.0	.4	.6	—
State and Local Expenditures	8.7	8.3	3.1	.9	.2	.2	.5	—	3.2	.3	.4	—
Other Public Assistance Payments for Medical Care	1.3	1.3	.5	.1	—	—	.1	—	.5	—	—	—
Federal	—	—	—	—	—	—	—	—	—	—	—	—
State and Local	1.3	1.3	.5	.1	—	—	.1	—	.5	—	—	—
Veterans' Medical Care	5.0	4.9	4.1	.1	—	—	—	—	.3	.4	—	—
Defense Department Medical Care ³	3.4	3.4	2.7	.1	—	—	—	—	—	.6	—	—
Workers Compensation	3.5	3.0	1.5	1.3	—	.1	.1	.1	—	—	.5	—
Federal Employees	.1	.1	.1	—	—	—	—	—	—	—	—	—
State and Local Programs	3.4	2.9	1.4	1.2	—	.1	.1	.1	—	—	.5	—
State and Local Hospitals (net) ⁴	5.3	5.3	5.3	—	—	—	—	—	—	—	—	—
Other Public Expenditures for Personal Health Care ⁵	3.6	3.5	1.5	.2	—	.1	—	—	—	1.6	.1	—
Federal	2.6	2.6	1.4	.2	—	—	—	—	—	.9	—	—
State and Local	1.0	1.0	.1	.1	—	—	—	—	—	.7	—	—
Government Public Health Activities	5.3	—	—	—	—	—	—	—	—	—	—	5.3
Federal	1.2	—	—	—	—	—	—	—	—	—	—	1.2
State and Local	4.1	—	—	—	—	—	—	—	—	—	—	4.1
Addendum: Medicare and Medicaid	45.4	43.5	25.4	7.4	.4	.8	1.1	.2	7.6	.4	2.0	—

*Government Public Health Activities

¹Total expenditures from trust funds for benefits and administrative costs; trust fund income includes premium payments paid by or on behalf of enrollees

²Includes funds paid into Medicare trust funds by States under "buy-in" agreements to cover premiums for public assistance recipients and for persons who are medically indigent

³Includes care for retirees and military dependents; payments for services other than hospital care and other health care represent only those made under contract medical programs

⁴Expenditures for State and local government hospitals not offset by other revenues

⁵Includes program spending for maternal and child health; vocational rehabilitation medical payments; temporary disability insurance medical payments; PHS and other Federal hospital expenses; Indian Health Service costs; alcoholism, drug abuse, and mental health expenditures; and school health expenditures

⁶Based on July 1 population estimates, which include the resident U.S. population and that of the outlying territories, plus Federal military and civilian employees and their dependents overseas

TABLE 7D
Expenditures for Health Services and Supplies Under Public Programs by Source of Funds and Type of Expenditure
Calendar Year 1975

Program Area	Personal Health Care											
	Total	Total	Hosp	Phys	Dent	Prof	Drugs	Glasses	Nursing Home	Other	Admin	GPHA*
	Amount (Billions)											
Total Spending (Public and Private)	\$124.3	\$116.8	\$52.1	\$24.9	\$8.2	\$2.6	\$11.9	\$3.2	\$10.1	\$3.7	\$4.4	\$3.2
All Public Programs	51.1	46.1	28.8	6.5	.5	.6	1.0	.2	5.7	2.8	1.8	3.2
Total Federal Expenditures	33.8	31.4	20.3	4.6	.3	.4	.5	.2	3.2	2.0	1.2	1.2
Total State and Local Expenditures	17.3	14.7	8.6	1.9	.2	.2	.5	.1	2.5	.8	.7	1.9
Medicare ¹ (Federal)	16.3	15.6	11.6	3.3	—	.2	—	.1	.3	—	.7	—
Medicaid ²	14.2	13.5	4.7	1.9	.4	.2	.9	—	4.9	.6	.6	—
Federal Expenditures	7.9	7.6	2.6	1.0	.2	.1	.5	—	2.7	.3	.4	—
State and Local Expenditures	6.2	6.0	2.1	.8	.2	.1	.4	—	2.2	.2	.3	—
Other Public Assistance Payments for Medical Care	.9	.9	.3	.1	—	—	.1	—	.3	—	—	—
Federal	—	—	—	—	—	—	—	—	—	—	—	—
State and Local	.9	.9	.3	.1	—	—	.1	—	.3	—	—	—
Veterans' Medical Care	3.5	3.5	2.9	—	.1	—	—	—	.2	.3	—	—
Defense Department Medical Care ³	2.8	2.8	2.2	.1	—	—	—	—	—	.5	—	—
Workers Compensation	2.4	2.0	1.0	.9	—	.1	—	—	—	—	.4	—
Federal Employees	.1	.1	—	—	—	—	—	—	—	—	—	—
State and Local Programs	2.4	2.0	1.0	.9	—	.1	—	—	—	—	.4	—
State and Local Hospitals (net) ⁴	5.1	5.1	5.1	—	—	—	—	—	—	—	—	—
Other Public Expenditures for Personal Health Care ⁵	2.7	2.7	1.0	.2	—	—	—	—	—	1.4	—	—
Federal	2.0	1.9	.9	.2	—	—	—	—	—	.8	—	—
State and Local	.8	.8	.1	.1	—	—	—	—	—	.6	—	—
Government Public Health Activities	3.2	—	—	—	—	—	—	—	—	—	—	3.2
Federal	1.2	—	—	—	—	—	—	—	—	—	—	1.2
State and Local	1.9	—	—	—	—	—	—	—	—	—	—	1.9
Addendum: Medicare and Medicaid	30.2	28.9	16.3	5.2	.4	.4	.9	.1	5.2	.4	1.3	—

*Government Public Health Activities

¹Total expenditures from trust funds for benefits and administrative costs; trust fund income includes premium payments paid by or on behalf of enrollees

²Includes funds paid into Medicare trust funds by States under "buy-in" agreements to cover premiums for public assistance recipients and for persons who are medically indigent

³Includes care for retirees and military dependents; payments for services other than hospital care and other health care represent only those made under contract medical programs

⁴Expenditures for State and local government hospitals not offset by other revenues

⁵Includes program spending for maternal and child health; vocational rehabilitation medical payments; temporary disability insurance medical payments; PHS and other Federal hospital expenses; Indian Health Service costs; alcoholism, drug abuse, and mental health expenditures; and school health expenditures

⁶Based on July 1 population estimates, which include the resident U.S. population and that of the outlying territories, plus Federal military and civilian employees and their dependents overseas

TABLE 7E
Expenditures for Health Services and Supplies Under Public Programs by Source of Funds and Type of Expenditure
Calendar Year 1970

Program Area	Personal Health Care											
	Total	Total	Hosp	Phys	Dent	Prof	Drugs	Glasses	Nursing Home	Other	Admin	GPHA*
	Amount (Billions)											
Total Spending (Public and Private)	\$69.3	\$65.1	\$27.8	\$14.3	\$4.7	\$1.6	\$8.0	\$1.9	\$4.7	\$2.1	\$2.7	\$1.4
All Public Programs	25.0	22.5	14.7	3.0	.2	.2	.5	.1	2.3	1.5	1.1	1.4
Total Federal Expenditures	15.7	14.5	9.5	2.1	.1	.1	.2	.1	1.3	.9	.6	.6
Total State and Local Expenditures	9.2	7.9	5.2	.9	.1	.1	.2	—	.9	.5	.5	.8
Medicare ¹ (Federal)	7.5	7.1	5.1	1.6	—	.1	—	—	.3	—	.4	—
Medicaid ²	5.5	5.2	2.2	.7	.2	.1	.4	—	1.4	.2	.3	—
Federal Expenditures	3.0	2.9	1.2	.4	.1	—	.2	—	.8	.1	.1	—
State and Local Expenditures	2.5	2.4	1.0	.3	.1	—	.2	—	.6	.1	.1	—
Other Public Assistance Payments for Medical Care	.9	.9	.2	.1	—	—	—	—	.5	—	—	—
Federal	.2	.2	—	—	—	—	—	—	.2	—	—	—
State and Local	.6	.6	.2	.1	—	—	—	—	.3	—	—	—
Veterans' Medical Care	1.8	1.7	1.5	—	—	—	—	—	.1	.1	—	—
Defense Department Medical Care ³	1.8	1.8	1.3	—	—	—	—	—	—	.4	—	—
Workers Compensation	1.4	1.1	.5	.5	—	—	—	—	—	—	.4	—
Federal Employees	—	—	—	—	—	—	—	—	—	—	—	—
State and Local Programs	1.4	1.0	.5	.4	—	—	—	—	—	—	.4	—
State and Local Hospitals (net) ⁴	3.3	3.3	3.3	—	—	—	—	—	—	—	—	—
Other Public Expenditures for Personal Health Care ⁵	1.4	1.4	.5	.1	—	—	—	—	—	.7	—	—
Federal	.8	.8	.4	.1	—	—	—	—	—	.3	—	—
State and Local	.6	.6	.1	—	—	—	—	—	—	.4	—	—
Government Public Health Activities	1.4	—	—	—	—	—	—	—	—	—	—	1.4
Federal	.6	—	—	—	—	—	—	—	—	—	—	.6
State and Local	.8	—	—	—	—	—	—	—	—	—	—	.8
Addendum: Medicare and Medicaid	12.9	12.2	7.3	2.3	.2	.2	.4	—	1.7	.1	.6	—

*Government Public Health Activities

¹Total expenditures from trust funds for benefits and administrative costs; trust fund income includes premium payments paid by or on behalf of enrollees

²Includes funds paid into Medicare trust funds by States under "buy-in" agreements to cover premiums for public assistance recipients and for persons who are medically indigent

³Includes care for retirees and military dependents; payments for services other than hospital care and other health care represent only those made under contract medical programs

⁴Expenditures for State and local government hospitals not offset by other revenues

⁵Includes program spending for maternal and child health; vocational rehabilitation medical payments; temporary disability insurance medical payments; PHS and other Federal hospital expenses; Indian Health Service costs; alcoholism, drug abuse, and mental health expenditures; and school health expenditures

⁶Based on July 1 population estimates, which include the resident U.S. population and that of the outlying territories, plus Federal military and civilian employees and their dependents overseas

TABLE 7F
Expenditures for Health Services and Supplies Under Public Programs by Source of Funds and Type of Expenditure
Calendar Year 1965

Program Area	Personal Health Care											
	Total	Total	Hosp	Phys	Dent	Prof	Drugs	Glasses	Nursing Home	Other	Admin	GPHA*
	Amount (Billions)											
Total Spending (Public and Private)	38.2	\$35.8	\$13.9	\$8.5	\$2.8	\$1.0	\$5.2	\$1.2	\$2.1	\$1.1	\$1.6	\$.8
All Public Programs	8.8	7.7	5.4	.6	—	—	.2	—	.7	.7	.2	.8
Total Federal Expenditures	4.0	3.6	2.4	.2	—	—	.1	—	.5	.4	—	.3
Total State and Local Expenditures	4.8	4.1	3.0	.4	—	—	.1	—	.3	.3	.2	.5
Medicare ¹ (Federal)	—	—	—	—	—	—	—	—	—	—	—	—
Medicaid ²	—	—	—	—	—	—	—	—	—	—	—	—
Federal Expenditures	—	—	—	—	—	—	—	—	—	—	—	—
State and Local Expenditures	—	—	—	—	—	—	—	—	—	—	—	—
Other Public Assistance Payments for Medical Care	2.1	2.1	.9	.2	—	—	.2	—	.7	.1	—	—
Federal	1.4	1.4	.6	.1	—	—	.1	—	.5	.1	—	—
State and Local	.8	.8	.3	.1	—	—	.1	—	.3	—	—	—
Veterans' Medical Care	1.1	1.1	1.1	—	—	—	—	—	—	—	—	—
Defense Department Medical Care ³	.9	.9	.6	—	—	—	—	—	—	.2	—	—
Workers Compensation	.8	.6	.2	.3	—	—	—	—	—	—	.2	—
Federal Employees	—	—	—	—	—	—	—	—	—	—	—	—
State and Local Programs	.8	.6	.2	.3	—	—	—	—	—	—	.2	—
State and Local Hospitals (net) ⁴	2.4	2.4	2.4	—	—	—	—	—	—	—	—	—
Other Public Expenditures for Personal Health Care ⁵	.7	.6	.2	—	—	—	—	—	—	.4	—	—
Federal	.3	.3	.2	—	—	—	—	—	—	.1	—	—
State and Local	.4	.4	.1	—	—	—	—	—	—	.3	—	—
Government Public Health Activities	.8	—	—	—	—	—	—	—	—	—	—	.8
Federal	.3	—	—	—	—	—	—	—	—	—	—	.3
State and Local	.5	—	—	—	—	—	—	—	—	—	—	.5
Addendum: Medicare and Medicaid	—	—	—	—	—	—	—	—	—	—	—	—

*Government Public Health Activities

¹Total expenditures from trust funds for benefits and administrative costs; trust fund income includes premium payments paid by or on behalf of enrollees

²Includes funds paid into Medicare trust funds by States under "buy-in" agreements to cover premiums for public assistance recipients and for persons who are medically indigent

³Includes care for retirees and military dependents; payments for services other than hospital care and other health care represent only those made under contract medical programs

⁴Expenditures for State and local government hospitals not offset by other revenues

⁵Includes program spending for maternal and child health; vocational rehabilitation medical payments; temporary disability insurance medical payments; PHS and other Federal hospital expenses; Indian Health Service costs; alcoholism, drug abuse, and mental health expenditures; and school health expenditures

⁶Based on July 1 population estimates, which include the resident U.S. population and that of the outlying territories, plus Federal military and civilian employees and their dependents overseas

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